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124 4010

5000 442

**Agreements**

**between**

**DAIMLERCHRYSLER**

**and the**



51500

**SEPTEMBER 29, 2003 - 9/14/07**

**ENGINEERING**

**OFFICE & CLERICAL**

LITHO IN U.S.A.



11/22/11

# TABLE OF CONTENTS

	Section	Page
<b>PURPOSE AND INTENT</b> .....		2
<b>RECOGNITION</b>		
Employees Covered.....	1	3
Management Rights.....	2	3
Excluded Personnel.....	3	4
Equal Application of Agreement.....	4	4
<b>NO STRIKE OR LOCKOUT</b>		
Strike Prohibited.....	5	5
Cancellation of Agreement.....	6	6
Right to Discipline.....	7	6
Lockout Prohibited.....	8	7
<b>UNION SECURITY</b>		
Requirement of Union Membership.....	9	7
Payment by Check-Off or Direct to Union.....	10	8
Check-Off.....	11	8
Deductions.....	12	12
Indemnification.....	13	13
Conflict with State Law.....	14	13
<b>REPRESENTATION</b>		
Number of Districts.....	15	15
Stewards.....	16	15
Special Conferences.....	17	17
<b>GRIEVANCE PROCEDURE</b>		
Time of Answers.....	18	19
Presenting a Grievance.....	19	19
Step 1.....	20	19
Step 2.....	21	20
Regional Review and Appeal to Appeal Board.....	22	22
Membership of Appeal Board.....	23	24
Authority of Appeal Board.....	24	25
Time of Appeals.....	25	26
Time Limit on Claims.....	26	27
Payment of Back Pay Claims.....	27	28
Computation of Back Wages.....	28	28
Retroactive Adjustments.....	29	29
Withdrawal of Cases.....	30	29
Finality of Decisions.....	31	29
Appeal for Interpretation.....	32	29

**Section    Page**

**DISCHARGE AND DISCIPLINE**

Maintenance of Discipline .....	33	30
Notice of Suspension, Disciplinary Layoff or Discharge .....	34	30
Union Representation .....	35	31
Appeal of Discharge .....	36	31
Use of Past Record .....	37	32

**SENIORITY**

Probationary Employees .....	38	32
Employee Defined .....	39	34
Seniority Defined .....	40	35
Seniority Lists .....	41	35
Loss of Seniority .....	42	36
Seniority of Stewards .....	43	38
Seniority of Officers .....	44	38
Medical Cases .....	45	39
Shift Preference Agreements .....	46	41
Overtime Agreements .....	47	41
Local Agreements .....	48	41

**LAYOFF AND RECALL**

Layoff Definitions .....	49	42
Temporary Adjustments Procedure .....	50	42
Notice of Layoff .....	51	43
Layoff Procedure .....	52	43
Recall Procedure .....	53	50
Work Opportunity for Laid Off Employees .....	54	51
Offer of Work Under S.U.B.P. ....	55	53

**TRANSFER AND PROMOTION**

Transfer of Employees .....	56	54
Transfer of Operations .....	57	57
Other Transfers .....	58	59
Discontinuance of Operations .....	59	60
Promotions .....	60	60
Better Jobs Within Unit .....	61	63

**VETERANS**

Reinstatement of Seniority Employees .....	62	64
Reinstatement of Probationary Employees .....	63	65
Veterans' Laws .....	64	65
Educational Leave of Absence for Veterans .....	65	66



	Section	Page
<b>LEAVE OF ABSENCE</b>		
Leave for Good Cause .....	66	66
Leave for Union Business .....	67	70
<b>WORKING HOURS</b>		
Shift Premium and Hours .....	68	71
Time and One-Half .....	69	71
Double Time .....	70	72
Holiday Provisions .....	71	72
Failure to Report for Holiday Work .....	72	77
Effect of Unemployment Compensation .....	73	77
Overtime Pyramiding Prohibited .....	74	78
<b>VACATION</b>		
Eligibility .....	75	78
Vacation Period .....	76	81
Pay Advance .....	77	82
Transfer and Termination .....	78	83
Rate During Vacation .....	79	84
<b>SALARY CONTINUATION PLAN</b>		
Purpose .....	80	84
Employees Covered .....	81	85
Disability Absence .....	82	85
Disability Benefits .....	83	85
Salary Continuation Payments .....	84	86
Maximum Period .....	85	86
Proof of Disability .....	86	87
Modification or Rescission .....	87	88
<b>UNION BULLETIN BOARDS</b>		
Placing of Bulletin Boards .....	88	88
Limit on Use of Bulletin Boards .....	89	88
<b>INSURANCE, S.U.B.P., RELOCATION ALLOWANCE, PROFIT SHARING</b>		
	90	89
<b>CHANGE OF ADDRESS</b> .....	91	89
<b>WAGES</b>		
Cost-of-Living Allowance .....	92	90
General Increase and Performance Bonus Payments .....	93	94
Rate Book .....	94	94
Rates for New Jobs .....	95	94
Merit Increases and Performance Reviews .....	96	95

**Section    Page**

**CONCLUSION**

Withdrawal of Demands and Separability of Provisions .....	97	98
Ratification.....	98	99
Termination and Modification .....	99	99
Notice .....	100	100

**Memorandum**

<b>No.</b>	<b>Subject</b>	<b>Page</b>
M-1	Salary Grades and Progression Application Supplement .....	102
M-2	Union Dues Deductions .....	114
M-3	Joint Activities .....	121
M-4	Seniority Attainment.....	131
M-5	Section (4) Investigations.....	135
M-6	New Technology .....	139
M-7	Special Arbitration Program .....	143
M-8	Salary Classification and Grade Supplement .....	148
M-9	Salaried Workers' Employment Security System .....	177
M-10	Sourcing.....	206
M-11	Drug Testing .....	219
M-12	Return to "Home" Unit (O&C).....	223
M-13	Health and Safety.....	226

**Supplemental Agreement**

<b>No.</b>	<b>Subject</b>	<b>Page</b>
S-1	Preventing Erosion of Bargaining Units .....	264

**LETTERS**

	<b>Letter No.</b>	<b>Page</b>
Transfer with Operations .....	1	269
Salaried Employees Council .....	2	270
Displacement .....	3	271
Plant Closing .....	4	273
Casual Absence .....	5	274
Continuous Service .....	6	275
Salary Pay Practices .....	7	276
Plant Vacation Shutdown-MOA Plants.....	8	279
Plant Closing Moratorium .....	9	280
Benefit Plans .....	10	281

# LETTERS

Subject	Letter No.	Page
Holiday Week.....	11	283
Employee-Retiree New Vehicle Purchase/ Lease Programs.....	12	284
Temporary Hires.....	13	286
New Hires.....	14	287
Sale of Operations.....	15	288
Notice of New Systems and Methods.....	16	289
Metric Tools (Eng.).....	17	290
Roundtable.....	18	290
Management Trainees.....	19	292
Sexual Harassment Prevention.....	20	293
Review Personnel Records.....	21	299
Holiday Pay On Jury Duty.....	22	299
Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974.....	23	300
Layoff Notification.....	24	301
Encouraging Suppliers to Hire Laid Off Employees.....	25	302
Personal Financial Planning.....	26	303
Local Training Facilitator Program.....	27	304
Power Train Plants - Work Opportunity (Eng.).....	28	305
Master Mechanics-Work Opportunity (Eng.).....	29	305
Employee Participation.....	30	306
Career Advancement.....	31	310
Open Requisitions.....	32	311
Multimedia Learning.....	33	312
Series Classifications.....	34	313
Overtime.....	35	317
Travel Time.....	36	318
Salary Continuation Procedures.....	37	319
Diversity Training.....	38	321
Liberty.....	39	322
Family Services Program.....	40	323
Absenteeism.....	41	324
Seniority of Officers.....	42	326
Restricted Area.....	43	328
Regional Representative.....	44	327
New Hire Orientation Program.....	45	329
Outside Use of Joint Training Facilities and Materials.....	46	330
Vacation.....	47	331
COLA-Calculation and Notification.....	48	331

# LETTERS

Subject	Letter No.	Page
Bereavement Pay.....	49	333
Qualifying Periods.....	50	336
Vacation Scheduling.....	51	336
Paid Educational Leave.....	52	337
Supervisory Ratio.....	53	338
Multiple Starting Times.....	54	340
Work Opportunity (O&C).....	55	341
Activities Representative - Huntsville.....	56	342
Interpretation-Section (1)(b)(Eng.).....	57	343
Child/Elder Care.....	58	344
Interpretation-Section (1)(b)(O&C).....	59	346
Tuition Assistance Plan.....	60	347
Labor Market Area Placement Election.....	61	351
Benefit Plans Representative.....	62	352
Grievances/Special Conferences.....	63	355
Salary Apprentice Seniority (Eng.).....	64	358
Safety and Health Audits.....	65	359
Special Early Retirement.....	66	360
Plant Vacation Shutdown.....	67	363
Pregnancy Leave.....	68	363
Flexible Starting Times.....	69	364
Employee Assistance Program.....	70	365
Access to Procurement and Supply.....	71	371
Annual Meeting.....	72	371
Use of Past Record.....	73	373
Employee Assistance Program Representative.....	74	374
Suppliers in Plants.....	75	377
Consideration for Work Opportunity in Different Labor Markets and Career Fields.....	76	378
Hiring Practices.....	77	379
Seniority Option (Local 889/212) (O&C).....	78	380
Time Limit on Claims.....	79	381
Auburn Hills-CTC Recognition Clarification.....	80	382
Auburn Hills Review.....	81	383
Associations - Other Joint Venture Companies.....	82	384
Christmas Bonus.....	83	385
CPI Revision.....	84	386
Volume Related Layoffs - SWEL.....	85	387
Employees with Automatic SWEL Protection.....	86	392
Access to Automated Reports.....	87	393
Accounting Positions (O&C).....	88	394
Funding of National SWECS Committee Activities.....	89	395
B.E.S.T. II.....	90	396

# LETTERS

Subject	Letter No.	Page
Compensation Practices - SWESS.....	91	398
Job Security Program - SWEL Provision		
Relating to SUB.....	92	399
Joint Activities Representative.....	93	400
COLA Fold-In.....	94	403
National and Local Training.....	95	403
Charging Vacation Time Off -		
Death in the Immediate Family.....	96	406
SWESS - Salaried Workers Employment		
Level Snapshot Adjustments.....	97	407
National Job Security Committee -		
Unique Attrition Credit.....	98	407
Clarification of Plant Vacation Shutdown.....	99	408
Cooling Off Period.....	100	409
Employee Privacy.....	101	410
POW/MIA Flags.....	102	411
Home Unit Return Procedure		
Within a Labor Market Area (O&C).....	103	412
College Credit Certificate/Certification Program ....	104	413
Outside the Labor Market Area		
Placement Election.....	105	413
Future Planning/Post-Retirement Program.....	106	414
Reinstated Grievances.....	107	415
Pre-Retirement Leaves.....	108	416
Short-Term Military Duty.....	109	417
Skill Enhancement Program for Spouses,		
Dependents and Retirees.....	110	419
Mergers, Etc.....	111	419
Dimensional Analysis (Eng.).....	112	420
Full Utilization of Protected Employees.....	113	421
SWESS - SWEL - Exclusion to Protection		
for Volume-Related Layoffs.....	114	422
Product Purchase Programs.....	115	423
Resident Engineers.....	116	424
Union and Company Awareness.....	117	426
Union Quality Recognition.....	118	426
Voluntary Termination of Employment Program -		
Plant Level Communication.....	119	428
Fitness Program.....	120	428
Youth Programs.....	121	429
Appeal Board Rules of Procedure.....	122	430
Americans With Disabilities Act.....	123	431
Equal Application Representation.....	124	432

## LETTERS

Subject	Letter No.	Page
Tobacco Smoking in the Workplace.....	125	433
Recycling Programs .....	126	434
Call-In Pay .....	127	435
Ergonomics - Special Study Group .....	128	435
Health Awareness Review .....	129	437
Technology Training Center .....	130	437
Training - Civil Rights and Equal Application Committees .....	131	440
Sexual Harassment Counseling for New Hires .....	132	441
Union Dues Deductions .....	133	442
Utilization of Plant Training Funds .....	134	442
Environmental Protection Agency (EPA).....	135	443
Extension of Seniority Recall Rights .....	136	444
Job Security Program(s) - Appeals to the National Committee .....	137	445
Early Production Vehicle Driving .....	138	446
Product Development and Transformation.....	139	447
Possible Changes in Corporate Structure .....	140	449
Salaried Workers' Employment Security System ..	141	451
Salaried Skilled Trades Hiring Minimum .....	142	452
Lockout Validations .....	143	453
SWESS - Movement of Employees on Protected Status within a SWEL Group .....	144	454
SWESS Administration .....	145	455
Accounting Training (O&C) .....	146	455
Employees Called to Duty with Reserve Forces ....	147	456
Family and Medical Leave Act of 1993 .....	148	457
Payroll Direct Deposit .....	149	459
Support Order Deductions.....	150	460
Payroll Matters .....	151	461
Wage Inequities .....	152	462
Medical Treatment During Working Hours .....	153	463
New Technology.....	154	464
Personal Information Security .....	155	465
Working on a Holiday/Vacation Conversion Conversion Option.....	156	465
Retiree Tuition Assistance Plan .....	157	466
Retiree Use of Plant Employee Fitness Center .....	158	467
UAW-Chrysler Collective Bargaining Agreement Training Program .....	159	468
UAW-Chrysler Scholarship Program for Dependent Children .....	160	469

## LETTERS

	Letter No.	Page
<b>BEST</b> .....	161	471
Joint Leadership Involvement in Health and Safety .....	162	473
Metal Working Fluids .....	163	473
Classification 588 Stockkeeper - Engineering .....	164	475
Additional Job and Income Security Financial Liability .....	165	475
Jury Duty - Third Shift Employees .....	166	476
Plant Payroll/Accounting Clerk/Specialist Skills Training Program .....	167	477
Payment of Shift Premium During In-Plant Training .....	168	478
Up-Front Lump Sum Payment .....	169	479
Local Technical Training Committee .....	170	481
NEPC Joint Study Group Agenda .....	171	483
Employee New Vehicle Purchase Program Ordered Vehicles/U.S. Build .....	172	484
UAW Flag .....	173	485
Health & Safety - UAW Safety Representative Participation in the Design of Safety Systems for Energy Control .....	174	486
SPEEDLINK to Injury Reduction .....	175	487
Conversion of Cost-of-Living Calculation to New Reference Index .....	176	488
KTP Pilot .....	177	489
Early Warning Program .....	178	490
NPG Mist Suppressant Pilot .....	179	491
V-Cap Contributions .....	180	492

	Letter No.	Page
<b>Letters by Subject</b>		
<b>ABSENTEEISM</b>		
Casual Absence .....	5	274
Absenteeism .....	41	324

## COUNCILS

Salaried Employees Council .....	2	270
Roundtable .....	18	290
Employee Participation .....	30	306
Annual Meeting .....	72	371
New Technology .....	154	464
NEPC Joint Study Group Agenda .....	171	483

Letters by Subject .....	Letter No.	Page
<b>DISCHARGE AND DISCIPLINE</b>		
Use of Past Record .....	73	373
Cooling Off Period .....	100	409
<b>EMPLOYMENT CONSIDERATIONS</b>		
Sexual Harassment Prevention .....	20	293
Review Personnel Records .....	21	299
Open Requisitions .....	32	311
New Hire Orientation Program .....	45	329
Employee Privacy .....	101	410
Americans With Disabilities Act .....	123	431
Equal Application Representation .....	124	432
Sexual Harassment Counseling for New Hires .....	132	441
Personal Information Security .....	155	465
<b>GRIEVANCE PROCEDURE</b>		
Restricted Area .....	43	326
Regional Representative .....	44	327
Grievances/Special Conferences .....	63	355
Time Limit on Claims .....	79	381
Reinstated Grievances .....	107	415
Appeal Board Rules of Procedure .....	122	430
<b>HOLIDAY PAY</b>		
Holiday Week .....	11	283
Holiday Pay On Jury Duty .....	22	299
Christmas Bonus .....	83	385
Working on a Holiday/Vacation Conversion Option .....	156	465
<b>LAYOFF AND RECALL</b>		
Displacement .....	3	271
Layoff Notification .....	24	301
Encouraging Suppliers to Hire Laid Off Employees .....	25	302
Power Train Plants - Work Opportunity (Eng.) .....	28	305
Master Mechanics - Work Opportunity (Eng.) .....	29	305
Work Opportunity (O&C) .....	55	341
Labor Market Area Placement Election .....	61	351
Consideration for Work Opportunity in Different Labor Markets and Career Fields .....	76	378
Home Unit Return Procedure Within a Labor Market Area (O&C) .....	103	412
Outside the Labor Market Area Placement Election .....	105	413
Extension of Seniority Recall Rights .....	136	444



<b>Letters by Subject</b>	<b>Letter No.</b>	<b>Page</b>
<b>MISCELLANEOUS</b>		
Liberty .....	39	322
Auburn Hills Review .....	81	383
Associations - Other Automotive Companies .....	82	384
POW/MIA Flags .....	102	411
Union Quality Recognition .....	118	426
Recycling Programs .....	126	434
Union Dues Deductions .....	133	442
Utilization of Plant Training Funds .....	134	442
Environmental Protection Agency (EPA) .....	135	443
Possible Changes in Corporate Structure .....	140	449
Payroll Direct Deposit .....	149	459
Support Order Deductions .....	150	460
Payroll Matters .....	151	461
UAW Flag .....	173	485
V-Cap Contributions .....	180	492
<b>NATIONAL TRAINING CENTER PROGRAMS</b>		
Personal Financial Planning .....	26	303
Local Training Facilitator Program .....	27	304
Multimedia Learning .....	33	312
Diversity Training .....	38	321
Family Services Program .....	40	323
Outside Use of Joint Training Facilities and Materials .....	46	330
Paid Educational Leave .....	52	337
Child/Elder Care .....	58	344
Tuition Assistance Plan .....	60	347
Safety and Health Audits .....	65	359
Employee Assistance Program .....	70	365
B.E.S.T. II .....	90	396
National & Local Training .....	95	403
College Credit Certificate/ Certification Program .....	104	413
Future Planning/Post-Retirement Program .....	106	414
Pre-Retirement Leaves .....	108	416
Skill Enhancement Program for Spouses, Dependents and Retirees .....	110	419
Union and Company Awareness .....	117	426
Fitness Program .....	120	428
Youth Programs .....	121	429
Tobacco Smoking in the Workplace .....	125	433
Health Awareness Review .....	129	437

**Letter****Letters by Subject****No.****Page**

Technology Training Center .....	130	437
Training - Civil Rights and Equal Application Committees .....	131	440
Lockout Validations .....	143	453
Retiree Tuition Assistance Plan .....	157	466
Retiree Use of Plant Employee Fitness Centers .....	158	467
UAW-Chrysler Collective Bargaining Agreement Training Program .....	159	468
UAW-Chrysler Scholarship Program for Dependent Children .....	160	469
BEST .....	161	471
Local Technical Training Committee .....	170	481

**RECOGNITION**

Interpretation-Section (1)(b)(Eng.) .....	57	343
Interpretation-Section (1)(b)(O&C) .....	59	346
Auburn Hills-CTC Recognition Clarification .....	80	382

**RELATED TO BENEFIT PLANS OR  
SIMILAR ENTITLEMENTS AND PROGRAMS**

Benefit Plans .....	10	281
Metric Tools (Eng.) .....	17	290
Special Early Retirement .....	66	360

**REPRESENTATION**

Seniority of Officers .....	42	326
Activities Representative - Huntsville .....	56	342
Benefit Plans Representative .....	62	352
Employee Assistance Program Representative .....	74	374
Joint Activities Representative .....	93	400

**SAFETY**

Ergonomics - Special Study Group .....	128	435
Joint Leadership Involvement in Health and Safety .....	162	473
Metal Working Fluids .....	163	473
Health & Safety - UAW Safety Representative Participation in the Design of Safety Systems for Energy Control .....	174	486
SPEEDLINK to Injury Reduction .....	175	487
KTP Pilot .....	177	489
Early Warning Program .....	178	490
NPG Mist Suppressant Pilot .....	179	491

Letters by Subject.....	Letter No.	Page
<b>SENIORITY</b>		
Continuous Service .....	6	275
Temporary Hires .....	13	286
Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973, and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 .....	23	300
Salary Apprentice Seniority (Eng.) .....	64	358
Hiring Practices .....	77	379
Seniority Option (Local 889/212) (O&C) .....	78	380
<b>SOURCING AND JOB SECURITY</b>		
Plant Closing .....	4	273
Plant Closing Moratorium .....	9	280
Sale of Operations .....	15	288
Notice of New Systems and Methods .....	16	289
Management Trainees .....	19	292
Supervisory Ratio .....	53	338
Access to Procurement and Supply .....	71	371
Suppliers in Plants .....	75	377
Volume Related Layoffs - SWEL .....	85	387
Employees with Automatic SWEL Protection .....	86	392
Access to Automated Reports .....	87	393
Funding of National SWESS Committee Activities .....	89	395
Compensation Practices - SWESS .....	91	398
Job Security Program - SWEL Provision Relating to SUB .....	92	399
SWESS - Salaried Workers Employment Level Snapshot Adjustment .....	97	407
National Job Security Committee - Unique Attrition Credit .....	98	407
Mergers, Etc. ....	111	419
Dimensional Analysis (Eng.) .....	112	420
Full Utilization of Protected Employees .....	113	421
SWESS - SWEL - Exclusion to Protection for Volume-Related Layoffs .....	114	422
Resident Engineers .....	116	424
Voluntary Termination of Employment Program - Plant Level Communication .....	119	428
Job Security Program(s) - Appeals to the National Committee .....	137	445
Early Production Vehicle Driving .....	138	446
Product Development and Transformation .....	139	447
Salaried Workers' Employment Security System .....	141	451

	Letter No.	Page
<b>Letters by Subject</b> .....		
SWESS – Movement of Employees on Protected Status Within a SWEL Group .....	144	454
SWESS Administration.....	145	455
Additional Job and Income Security Financial Liability .....	165	475
<b>TRANSFER AND PROMOTION</b>		
Transfer with Operations .....	1	269
New Hires .....	14	287
Career Advancement .....	31	310
Qualifying Periods .....	50	335
Accounting Positions (O&C).....	88	394
Accounting Training (O&C) .....	146	455
<b>VACATION SCHEDULING AND LEAVE OF ABSENCE</b>		
Plant Vacation Shutdown - MOA Plants.....	8	279
Vacation .....	47	331
Bereavement Pay.....	49	333
Vacation Scheduling.....	51	336
Plant Vacation Shutdown .....	67	363
Pregnancy Leave .....	68	363
Charging Vacation Time Off - Death in the Immediate Family .....	96	406
Clarification of Plant Vacation Shutdown .....	99	408
Short-Term Military Duty.....	109	417
Employees Called to Duty with Reserve Forces .....	147	456
Family and Medical Leave Act of 1993 .....	148	457
Jury Duty - Third-Shift Employees.....	166	476
<b>VEHICLE PURCHASE PLAN</b>		
Employee-Retiree New Vehicle Purchase/ Lease Programs.....	12	284
Product Purchase Programs .....	115	423
Employee New Vehicle Purchase Program Ordered Vehicles / US Build .....	172	484
<b>WAGES AND CLASSIFICATIONS</b>		
Series Classifications .....	34	313
Salary Continuation Procedures.....	37	319
COLA-Calculation and Notification.....	48	331
CPI Revision.....	84	386
COLA Fold-In .....	94	403
Salaried Skilled Trades Hiring Minimum .....	142	452
Wage Inequities.....	152	462
Medical Treatment During Working Hours .....	153	463

<b>Letters by Subject.....</b>	<b>Letter No.</b>	<b>Page</b>
Classification 588 Stockkeeper –		
Engineering .....	164	475
Plant Payroll/Accounting Clerk/Specialist Skills		
Training Program .....	167	477
Payment of Shift Premium During In-Plant		
Training .....	168	478
Up-Front Lump Sum Payment .....	169	479
Conversion of Cost-of-Living Calculation to		
New Reference Index .....	176	488
<b>WORKING HOURS</b>		
Salary Pay Practices .....	7	276
Overtime .....	35	317
Travel Time .....	36	318
Multiple Starting Times .....	54	340
Flexible Starting Times .....	69	364
Call-In Pay .....	127	435

# **2003 DaimlerChrysler-UAW Office Clerical and Engineering Agreements Amended, Deleted, and New Sections, Letters and Memoranda**

The following Sections of the 1999 Agreements have been changed:

11	25	27	71	93	99
22	26	36	92	98	

The following Letters and Memoranda of the 1999 Agreements have been modified:

9	58	94	125	169
12	60	97	130	172
15	61	105	136	M-1
37	62	111	144	M-2
38	70	114	151	M-8
45	75	115	155	M-9
48	83	116	157	M-10
56	87	117	160	M-13

The following Letters to the 1999 Agreements have been deleted:

90	143
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The following new Letters/Memorandum are included in the 2003 Agreements:

90	143	174	175	176	177	178
179	180					

Note: Numbers from deleted Letters have been assigned to new Letters.

SHADING REPRESENTS NEW  
LANGUAGE IN THE 2003 AGREEMENT

## **ENGINEERING INDEX OF UNITS**

1. Product Planning and Development (Local 412 - Unit 1)
2. Product Planning and Development (Local 412 - Unit 10)
3. Product Planning and Development (Local 412 - Unit 11)
4. Product Planning and Development (Local 412 - Unit 14)
5. Automotive Sales Group (Local 412 - Unit 32)
6. Chelsea Proving Grounds (Local 1284)
7. Belvidere Assembly (Local 1761)
8. Jefferson North Assembly (Local 412 - Unit 2)
9. Newark Assembly (Local 1212)
10. Detroit Area Nurses (Local 412 - Unit 57)
11. Warren Truck Assembly (Local 412 - Unit 17)
12. Arizona Proving Grounds (Local 509)
13. DaimlerChrysler Pacifica Operations (Local 509)
14. Trenton Engine (Local 412 - Unit 25)
15. McGraw Glass (Local 412 - Unit 4)
16. Kokomo Transmission (Local 1302-Unit 1)  
Indiana Transmission (Local 1302 - Unit 1)
17. Kokomo Casting (Local 1302 - Unit 4)
18. New Process Gear (Local 2149 - Unit 2)
19. New Castle Forge and Machining (Local 371)
20. Toledo Machining (Local 1435)
21. Sterling Heights Assembly (Local 412 - Unit 51)
22. Indianapolis Foundry (Local 361)



- 23. Mack Avenue Engine (Local 412 - Unit 9)  
Mack II Engine Plant (Local 412 - Unit 9)
- 24. Detroit Axle (Local 412 - Unit 21)
- 25. Advance Power Train Manufacturing  
Engineering (Local 412 - Unit 53)
- 26. Advance Manufacturing Engineering (Local  
212)
- 27. Sterling Stamping (Local 412 - Unit 7)
- 28. Twinsburg Stamping (Local 573)
- 29. Warren Stamping (Local 412 - Unit 18)
- 30. Huntsville Electronics (Local 1929)
- 31. Parts Division (Local 412 - Unit 23)
- 32. St. Louis Assembly Plant North & South  
(Local 597)
- 33. Jeep and Truck Vehicle Engineering  
Platform Operations (Local 412 - Unit 80)
- 34. Jeep and Truck Vehicle Engineering  
Platform Operations (Local 412 - Unit 77)  
(formerly MESA)
- 35. Kenosha Engine (Local 72 - Unit 2)

## OFFICE AND CLERICAL INDEX OF UNITS

1. Warren Truck Assembly (Local 889)
2. Belvidere Assembly (Local 1761)
3. DaimlerChrysler Technology Center (Local 889)
4. Jefferson North Assembly (Local 889)
5. Newark Assembly (Local 1212)
6. Huntsville Nurses (Local 1929)
7. DaimlerChrysler Service Contracts Center (Local 889)
8. Detroit Axle (Local 889)
9. Mack Avenue Engine (Local 889)  
Mack II Engine Plant (Local 889)
10. Trenton Engine (Local 889)
11. Indianapolis Foundry (Local 361)
12. Dallas Parts Depot (Local 2360)
13. Kokomo Transmission (Local 1302- Unit 3)  
Indiana Transmission (Local 1302 - Unit 3)
14. Kokomo Casting (Local 1302 - Unit 3)
15. New Castle Machining and Forge (Local 371)
16. McGraw Glass (Local 889)
17. New Process Gear (Local 2149 - Unit 1)
18. Toledo Machining (Local 1435)
19. O.D.M.T.C. (Local 212)
20. Warren Stamping (Local 889)
21. Sterling Stamping (Local 889)
22. Twinsburg Stamping (Local 573)
23. Center Line Parts (Local 889)
24. Marysville Parts (Local 889)
25. Newark Parts (Local 1212)
26. New York Parts (Local 3039)
27. Boston Parts (Local 422)
28. Memphis Parts (Local 1086)
29. Denver Parts (Local 186)

- 30. Orlando Parts (Local 1649)
- 31. Los Angeles Parts (Local 230)
- 32. Minneapolis Parts (Local 125)
- 33. DaimlerChrysler Transport, Inc. (Local 212)
- 34. International Supply Operations (Local 889)
- 35. Huntsville Electronics (Local 1929)
- 36. DaimlerChrysler Accounting and Payroll  
(Local 889)
- 37. St. Louis Assembly Plant North & South  
(Local 597)
- 38. Sterling Heights Assembly (Local 889)
- 39. Cleveland Parts (Local 573)
- 40. Kenosha Engine (Local 72, Unit 3)
- 41. Milwaukee PDC (Local 75)

**Agreements\* Entered Into on This  
Twenty Ninth Day of  
September, 2003**

**Between DaimlerChrysler Corporation  
(Hereinafter referred to as the "Corporation")**

**and, as to the Engineering Agreement,  
the following Local Unions**

**United Automobile, Aerospace  
and Agricultural Implement  
Workers of America**

<u>72</u>	212	361	371	412
509	573	597	1212	1284
1302	1435	1761	1929	2149

**and, as to the Office and Clerical Agreement,  
the following Local Unions**

**United Automobile, Aerospace  
and Agricultural Implement  
Workers of America**

<u>72</u>	<u>75</u>	125	186	212
230	361	371	422	573
597	889	1086	1212	1302
1435	1649	1761	1929	2149
2360	<u>3039</u>			

**International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America**

**(The said Local Unions and the International Union being  
hereinafter referred to collectively as the "Union.")**

(Note: The headings used in this Agreement and exhibits neither add to nor subtract  
from the meaning but are for reference only.)

\*There are two Agreements: Engineering and Office and Clerical. Unless otherwise indicated, each provision set forth below is a provision of each of the two Agreements. Where this is not the case, the provision is set forth as it exists in each Agreement.

## **Purpose and Intent**

The general purpose of this Agreement is to set forth terms and conditions of employment, and to promote orderly and peaceful labor relations for the mutual interest of the Corporation, the employees and the Union.

The parties recognize that the success of the Corporation and the job security of the employees depends upon the Corporation's success in building a quality product and its ability to sell such product.

To these ends the Corporation and the Union encourage to the fullest degree friendly and cooperative relations between their respective representatives at all levels and among all employees.

# **RECOGNITION**

## **(1) Employees Covered**

(a)--Pursuant to and in accordance with all applicable provisions of the National Labor Relations Act, as amended, DaimlerChrysler Corporation (hereafter called the Corporation) does hereby recognize the Union as the exclusive representative for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment for the term of this Agreement of all employees of the Corporation included in the bargaining units described in Schedule "A" appended to this Agreement.

(b)--If the Corporation builds a new facility and transfers to it a significant portion of work performed exclusively by employees covered by this Agreement, this Agreement shall automatically cover employees working in the same or similar classifications at the new facility if the parties agree, or in the absence of agreement, if the National Labor Relations Board shall determine, that such facility or any part thereof constitutes an accretion to the bargaining unit this Agreement covers, excluding such employees as the parties agree, or the Board decides, should be excluded.

## **(2) Management Rights**

The Corporation has the exclusive right to manage its plants and offices and direct its affairs and working forces, except as limited by the terms of this Agreement and any Memoranda, Letter Agreements or Supplementary Agreements that by their terms modify this Agreement.

### **(3) Excluded Personnel**

The Union will not represent anyone in a supervisory capacity or other representatives of Management.

### **(4) Equal Application of Agreement**

It is the policy of DaimlerChrysler Corporation and the UAW that the provisions of this Agreement be applied to all employees covered by this Agreement without discrimination because of race, color, religion, age, national origin, status as a qualified person with a disability, sex, including sexual harassment, sexual orientation, union activity and membership in any legally protected class.

In order to assure full knowledge and understanding of the foregoing principle on the part of employees and all agents and representatives of the Corporation and the Union, the parties hereby incorporate the same in this Agreement. Any employee who claims that, in violation of said principle, he has been denied rights guaranteed by this Agreement may complain as provided in the Grievance Procedure. Any such claim appealed to Step 2 of the Grievance Procedure must contain a full statement of the facts giving rise to the claim and the reasons why the employee believes he has been discriminated against. After the grievance is answered in the Second Step, the Regional Director of the Union or his designated representative and/or the Local Union President or his designated representative may refer the claim to the Chairman of the Civil Rights Committee of the Local Union for a factual investigation and report. The member of the Civil Rights Committee designated by the Chairman to investigate the claim

shall not be paid by the Corporation for any time spent on such activity.

The Grievance and Arbitration Procedure shall be the exclusive contractual procedure for remedying such claims.

## **NO STRIKE OR LOCKOUT**

### **(5) Strike Prohibited**

The Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down in any plant or office of the Corporation, or any curtailment of work or restriction of production or interference with production of the Corporation. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Corporation's operations or picket any of the Corporation's plants or premises until all the Grievance Procedure as outlined in this Agreement has been exhausted, and in no case over a matter on which the Appeal Board has power and authority to rule, and in no other case until the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, within sixty (60) days after receiving the final decision of Plant Management as set forth in the answer of the Labor Relations Supervisor or his designated representative, has notified the Director of Union Relations of the Corporation in writing that it has authorized a strike, specifying the grievances that are involved in the proposed strike, and negotiations have continued for at least seven (7) separate days on which meetings have been held after the Corporation has received such notice.



Union representatives shall receive pay from the Corporation at their regular salary rates for time spent in such meetings provided they would otherwise have worked in the plant. Such notice shall be valid for only sixty (60) working days unless extended by mutual agreement.

In the discussion and settlement of the grievances as to which the International Union has given notification of intent to strike, neither party shall be required to bargain or act with respect to any other issue, grievance or dispute.

## **(6) Cancellation of Agreement**

In case a strike or stoppage of production or a lockout shall occur, either before or after all Grievance Procedure has been exhausted, the Corporation, in case of a strike or stoppage of production, or the Union, in case of a lockout, shall have the option of canceling this Agreement at any time between the tenth (10th) day after the strike or stoppage of production or lockout occurs and the day of its settlement. The failure to exercise this option after any strike or stoppage of production or lockout shall not constitute a waiver by the Corporation or the Union as the case may be of its right to exercise its option should a subsequent strike or stoppage of production or lockout occur.

## **(7) Right to Discipline**

The Corporation reserves the right to discipline any employee taking part in any violation of Section (5) of this Agreement.

## **(8) Lockout Prohibited**

The Management will not cause or sanction a lockout until all the Grievance Procedure as outlined in this Agreement has been exhausted, and in no case upon a matter on which the Appeal Board has power to rule, and in no other case until after negotiations have continued for at least seven (7) days.

## **UNION SECURITY**

### **(9) Requirement of Union Membership**

(a)--Employees covered by this Agreement at the time it becomes effective and who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.

(b)--Employees covered by this Agreement who are not members of the Union at the time it becomes effective shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following such effective date.

(c)--Employees hired, rehired, reinstated or transferred into a bargaining unit after the effective date of this Agreement and covered by this Agreement shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following the beginning of their employment in the unit.

(d)--An employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the conditions of this Section.

(e)--Employees shall be deemed to be members of the Union within the meaning of this Section if they are members and are not more than thirty (30) days in arrears in payment of membership dues.

### **(10) Payment by Check-Off or Direct to Union**

Employees may tender initiation fees and membership dues by signing the Authorization for Check-Off of Dues form, or may pay the same directly to the Union.

### **(11) Check-Off**

(a)--During the life of this Agreement and in accordance with the provisions of Section 302 (c) of the Labor-Management Relations Act, 1947, as amended, and with the terms of the form of Authorization of Check-Off of Dues hereinafter set forth, and to the extent the laws of the applicable jurisdiction permit, the Corporation agrees to deduct Union initiation fees and membership dues levied in accordance with the Constitution and By-Laws of the Union from the pay of each employee who executes or has executed an "Authorization for Check- Off of Dues" in substantially the following form or who has signed an "Enrollment Form" that includes such a form:

**"AUTHORIZATION FOR  
CHECK-OFF OF DUES**

"Date. ....

"Social Security No. ....

"Plant. ....

**"TO: DAIMLERCHRYSLER CORPORATION**

"I hereby assign to Local Union No. ....  
International Union, United Automobile, Aerospace  
and Agricultural Implement Workers of America,  
(UAW), from any wages earned or to be earned by  
me as your employee, or from any Regular  
Supplemental Unemployment Benefits to be paid to  
me the sum of \$5.00 per month or such larger  
amount as may be established as dues and also an  
initiation fee in the amount of \$ .....

"I authorize and direct you or the Trustees of  
the Supplemental Unemployment Benefit Fund, as  
the case may be, to deduct such amounts from my  
pay or from any Regular Supplemental  
Unemployment Benefits and to remit the same to  
the Union.

"If a collective bargaining agreement between  
the Corporation and the Union is in effect on the  
date of this assignment, authorization and direction,  
it shall become operative forthwith. Otherwise, this  
assignment, authorization and direction shall  
become operative upon the ratification of the  
collective bargaining agreement between the  
Corporation and the Union dated September 29,  
2003.

"This assignment, authorization and direction  
shall be irrevocable for one (1) year from the date  
thereof and unless revoked at the end of such year

as provided herein shall be automatically renewed for successive periods of one year. Revocation may be made only by written notice given by me to the Corporation and the Union not more than twenty (20) days and not less than ten (10) days before the expiration of each one (1) year period. Provided, however, that, in addition thereto, this authorization may be revoked by a written notice given by me to the Corporation and the Union not more than twenty (20) days and not less than ten (10) days before the termination date of each applicable collective bargaining agreement between the Corporation and the Union. Failure to revoke this assignment, authorization and direction during the second ten (10) day period before the termination date of a collective bargaining agreement shall not by itself extend the assignment, authorization and direction beyond its next anniversary date.

"This authorization is pursuant to the provisions of Section 302 (c) of the Labor-Management Relations Act, 1947, as amended, and is governed by the applicable terms of the collective bargaining agreement between the Corporation and the Union."

(If the assignment, authorization and direction is a separate document, such as a "Check-Off card", the employee shall execute it in the following form. If it is embodied in an Enrollment Form, execution of the Enrollment Form, with appropriate entries, shall constitute execution of the assignment, authorization and direction.)

"An initiation fee IS or IS NOT (strike out one) to be deducted hereunder.

" .....  
(Signature of Employee here)

" .....  
(Address of Employee)

" .....  
(Type or print name of Employee here)

" .....  
(Employee's Clock Number)

" .....  
"Name. .... Local Union No. ....

"Address .....

"Social Security No. ....

"Employee's Clock No. .... "

(b)--The following statement to the employee shall appear on the reverse side of the appropriate item of the Enrollment Form or on the reverse side of any check-off card the employee signs: (Note: Until the Plant receives Enrollment Forms or check-off cards containing the following statement, applicants for employment will read, sign and date said statement on a separate document.)

**"STATEMENT CONCERNING UNION  
MEMBERSHIP AS A CONDITION  
OF CONTINUED EMPLOYMENT**

"The Agreements between DaimlerChrysler Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers (UAW), and certain of its Local Unions dated September 29, 2003, require all employees the Agreements cover to become and remain members of the Union to the extent of tendering an initiation fee and membership dues as set forth in

the Agreements, except in states where such provisions are invalid.

"Under said Agreements, new employees may join the Union immediately after they are hired, but they do not have to become members or pay initiation fees or dues until the fortieth (40th) day following the beginning of their employment.

"Under the present Agreements, new employees may, if they so desire, authorize immediate deduction of their initiation fees and/or membership dues by use of the Enrollment Form. Employees who do not desire immediate deduction of initiation fees and/or membership dues from their earnings may, subsequently authorize such deductions by signing a separate 'Authorization for Check-Off of Dues' Card.

**"NO EMPLOYEE IS REQUIRED TO AUTHORIZE THE CHECK-OFF OF INITIATION FEES OR DUES.**

"Employees who do not wish when hired to authorize deductions of dues or initiation fees may do so later or pay the proper amounts directly to the Union. Employees who authorize deductions of dues or initiation fees may cancel the authorization as set forth in the authorization and pay the appropriate amounts directly to the Union."

## **(12) Deductions**

Deductions shall be made only in accordance with the provisions of said Authorization for Check-Off of Dues, together with the provisions of this Agreement and the provisions of the Memorandum of Understanding (Union Dues Deductions), a supplement to this Agreement. The Corporation

shall have no responsibility for the collection of initiation fees or membership dues not in accordance with this provision.

### **(13) Indemnification**

The Union shall indemnify and hold harmless the Corporation against any and all liability which may arise by reason of the deduction by the Corporation of money as Union initiation fee and membership dues from employees' wages, or by the Trustee of money as Union membership dues from employees' Regular Benefits under the Supplemental Unemployment Benefit Plan.

### **(14) Conflict with State Law**

(a)--Notwithstanding the other provisions of this Agreement an employee shall not be required to become a member of or continue membership in the Union, or to pay initiation fees or membership dues to it, except as otherwise provided in Subsection (b), as a condition of employment, if employed in any state that prohibits or otherwise makes unlawful membership in a labor organization as a condition of employment.

(b)--If and when the court of last resort of such state shall hold by final judgment or decree not subject to further review that an employer and a Union may, by agreement, require employees of plants located in such state, as a condition of employment, to pay to a Union amounts that are equivalent to the periodic membership dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union or a statute of any such state shall expressly so provide then, and in either event, employees of plants in such state who are covered by this Agreement on



the date when such judgment or decree becomes final, or such statute becomes effective, shall, as a condition of employment, pay to the Union such amounts that are equivalent to the periodic membership dues and initiation fees on or before the fortieth (40th) day following said date, and employees hired, rehired, reinstated, or transferred into such plants after said date and who are covered by said Agreement shall, as a condition of employment, pay to the Union such amounts that are equivalent to the periodic membership dues and initiation fees on or before the fortieth (40th) day following the beginning of their employment in such plant. Employees who tender amounts equal to said membership dues and, if not already a member, initiation fees, and who are not more than thirty (30) days in arrears in paying the equivalent of periodic dues, shall be deemed to have met the conditions of Section (9) of this Agreement. If any such final judgment or decree, as described above, is later reversed or otherwise modified or nullified, or if the laws of any such state are later amended or are construed by that state's highest court to prohibit arrangements such as this Paragraph provides, this Paragraph of this Agreement shall terminate. Otherwise, it shall continue in full force and effect until the expiration of this Agreement.

(c)--If a final judgment or decree of the court of last resort of any such state not subject to further review holds that an employer and a Union may not enter into such an agreement as Paragraph (b) above describes, and if any such judgment or decree is later reversed, overruled or otherwise modified or nullified so as to permit such an agreement, or if the laws of any such state are later amended or are construed by that state's highest court so as to permit arrangements such as said

Paragraph (b) describes, then in any such event the requirements of said Paragraph (b), within the time limits therein set forth shall apply to plants in such state as of the date of such event.

## **REPRESENTATION**

### **(15) Number of Districts**

(a)--It is mutually recognized that the principle of proportional representation which reflects the increase and decrease in the workforce is a sound and sensible basis for implementing this Section of the Agreement.

(b)--The number of districts in each plant shall be the present number, unless the number is increased or decreased by agreement between the Plant Management and the Union. The Plant Management and the Union may redistrict the plant from time to time by agreement. If the parties are unable to reach agreement, the matter shall immediately be referred to Corporate Union Relations and the International Union for immediate positive resolution.

### **(16) Stewards**

(a)--In each district employees in the district shall be represented by one Steward or when the Steward is absent from the plant or office a permanent Alternate Steward who in each case shall be a regular employee on the active roll having seniority and working in the district. The Unit Chairman/President or Local Union President shall notify the Plant Management in writing of the name of the Alternate Steward. The Alternate

Steward shall function only upon notification to the plant or office by the Unit Chairman/President or Local Union President of each instance the Steward will be absent from the plant or office. During overtime periods or weekend work the Steward or if he is not working, the permanent Alternate Steward shall be scheduled to work as long as there is work scheduled in his district he can do and any of his respective constituents are working. The Steward will be notified of overtime or weekend work as far in advance as the circumstances in each case permit. The Steward will, upon request, be advised of the nature of the scheduled work.

(b)--Paragraph (a) is intended to provide the Steward with the opportunity to represent employees in his district, provided he has the ability to perform the available work in a reasonably adequate manner.

(c)--The employees on the second shift may choose a Steward who will represent all of the employees on that shift. The employees on the third shift may choose a Steward who will represent all of the employees on that shift. The Plant Management and the Union may provide for additional Stewards on the second and third shifts because of increased employment on these shifts or where the employees are in widely separated areas.

(d)--Stewards during their working hours, without loss of time or pay, may in accordance with the terms of this Section, present grievances to the Management representatives and investigate grievances after first obtaining permission of their Supervisor to do so. The Supervisor will grant permission to Stewards to leave their work for these

purposes. The privilege of Stewards to leave their work during working hours without loss of time or pay is subject to the understanding that the time will be devoted to the prompt handling of grievances and will not be abused, and that the Stewards will perform the work to which they are assigned at all times except when necessary to leave their work to handle grievances as provided herein.

(e)--When making arrangements to leave their jobs to investigate or present grievances, Stewards shall advise their supervisor of the number and nature of those grievances. In addition, if Stewards must go to another department in their district to investigate or present grievances, they shall advise the supervisor of that department of their presence and the number and nature of such grievances. If it is necessary to speak to an employee about a grievance, the Steward shall make arrangements with the employee's supervisor to do so.

(f)--Stewards during overtime periods or weekend work may request permission to leave their assigned work only to investigate a grievance which occurs during that premium time period.

(g)--Employees in each of the Vehicle Engineering locations and Huntsville Engineering Technical Units shall be represented by a temporary Steward while on road trips. Any such temporary Steward shall be an employee making the trip.

## **(17) Special Conferences**

(a)--Special Conferences for important matters may be arranged between representatives of the

Unit and Labor Relations. It is understood that Special Conferences will not be requested in order to circumvent the Grievance Procedure. Such meetings shall be between two representatives of the Corporation and two representatives of the Unit, one of whom shall be the Unit Chairman/President, provided, however, that at the request of either party, there may be a third representative of the Corporation and/or the Union. The third Union member at such Conferences shall be an officer of the Local Union. By agreement between the parties, additional representatives of the Corporation and/or the Union, one of whom may be a representative of the International Union, may attend Conferences under this Section. Arrangements for such Special Conferences shall be made in advance by the submission of a written agenda setting forth in reasonable detail the nature of the matters to be taken up at the meeting, and the names of the representatives of the Union who will attend, shall be presented to the Labor Relations Supervisor at the time the Conference is requested. In the event a dispute arises between the parties as to the propriety of arranging the date and time or the additional representatives attending a Special Conference, such disputes will be referred to Corporate Union Relations and the International Union. Matters taken up in Special Conferences shall be confined to those included on the agenda.

(b)--The Union representatives may meet at a place in the plant designated by the Management for one-half (1/2) hour immediately preceding a Special Conference. Members of the Union if working in the plant in which such a meeting is held, shall not lose time or pay for time spent in such Special Conferences. If one of the members of the Union who attend such meetings is the Unit

Chairman/President, he shall not lose time or pay for time spent in such Special Conferences.

## **GRIEVANCE PROCEDURE**

### **(18) Time of Answers**

The Management will answer in writing any grievance presented to it in writing by the Union:

(a)--By the Department Head within five (5) working days,

(b)--By the Labor Relations Supervisor within seven (7) working days from the date of the meeting at which the grievance was discussed.

These time limits may be extended at any time by agreement between the Corporation and the Union.

### **(19) Presenting a Grievance**

Any employee having a grievance in connection with his working conditions shall present it to the Management as follows:

#### **(20) Step 1**

(a)--The employee or one designated member of a group of employees may arrange an appointment to take the grievance up with his Supervisor or after obtaining permission from his Supervisor, submit the grievance to the Steward for that shift.

(b)--The Steward shall, after having arranged the appointment, leave his work and discuss the grievance with the Supervisor.

(c)--If the matter is not disposed of verbally, the Steward shall, after having arranged an appointment, leave his work and discuss the grievance with the Department Head or his designated representative.

(d)--If the Steward is unable to dispose of the grievance with the Supervisor or Department Head, the Steward may then refer it to the Unit Chairman who may, after having arranged an appointment, leave his work to discuss the grievance with the Department Head, or his designated representative.

(e)--If the matter is thereby not disposed of, it will be submitted in written form by the Steward to the Department Head, or his designated representative. The written grievance shall set forth the nature of the grievance, the date of the matter complained of, identify the employee or employees involved by name, insofar as diligent effort will allow, and the provisions of this Agreement, if any, that the Union claims the Corporation has violated.

(f)--The Department Head's answer shall set forth the facts he took into account in answering the grievance.

## **(21) Step 2**

(a)--If the Department Head or his designated representative's answer is not satisfactory, the grievance may be referred to the Unit Chairman/Committeeman/President, who may submit the appeal on an agenda to the Labor

Relations Supervisor. A meeting between two representatives of the Union and two representatives of the Plant Management, one of whom may be the Department Head, will be arranged, to discuss the grievance or grievances appearing on the agenda within five (5) working days from the date the agenda is received by the Labor Relations Supervisor. Any claim of discrimination appealed to Step 2 of the Procedure shall contain a full statement of the facts which give rise to the claim and the specific reason or reasons why the employee or employees believes they have been discriminated against. If a grievance involves the continuing refusal of Management to return an employee to work from a sick leave of absence, where the employee's personal physician has found, contrary to findings of a physician or physicians acting for the Corporation, that the employee is able to do a job to which his seniority entitles him, such grievance may be presented directly to the Labor Relations Supervisor as part of the Second Step agenda.

(b)--At such meeting each party, after diligent investigation, will endeavor in good faith to furnish the other all facts and information then available, with respect to the grievance.

(c)--The Union representatives may meet at a place designated by the Management on Corporation property for one-half (1/2) hour immediately preceding a meeting with the two representatives of Management for which a written request has been made.

(d)--One of the two Union representatives, provided he works at the Plant at which the grievance arose or is the Unit Chairman/President or Chairman of the Committee, shall be allowed



time off his job without loss of time or pay to investigate a grievance which he has discussed or is to discuss with the Labor Relations Supervisor. The representative's Supervisor will grant him permission to leave his work for this purpose.

(e)--In addition to the two (2) Union representatives specified in Subsection (a), the Local Union President or, in his absence, the Local Union Vice-President, and the Regional Director of the Union for the area in which the plant is located, or his regularly designated representative, will be permitted, upon proper notice to the Plant Management concerned, to attend the scheduled grievance meeting provided for in this Section (21).

(f)--If the two representatives of the Plant Management and the two representatives of the Union do not dispose of the matter, the Labor Relations Supervisor or his designated representative shall prepare an answer setting forth the facts and arguments in support of his answer.

A copy of such answer will be given to the Unit of the Local Union, and copies of both the 1st and 2nd step answers and the grievance will be sent to the Regional Director of the Union for the Region.

## **(22) Regional Review and Appeal to Appeal Board**

(a)--After receiving the answer of the Labor Relations Supervisor or his designated representative, the Regional Director of the Union or his designated representative for the Region in which the plant or office is located, will review the matter. If it is one on which the Appeal Board has power and authority to rule, and if it merits appeal,

he shall refer the matter to the International Union which, if it merits appeal shall, within forty-five (45) days of the answer of the Labor Relations Supervisor or his designated representative, refer it to the Appeal Board. If a grievance does not involve a matter within the power and authority of the Appeal Board, it will be referred back to the Local Union.

(b)--After a grievance which involves a matter that is one on which the Appeal Board has power and authority to rule has been answered at the Second Step, if the Regional Director, or his representative, did not attend the Second Step meeting, the National DaimlerChrysler Department of the International Union may arrange with Corporate Union Relations for a meeting to be held with the Regional Director, or his representative, the Unit Chairman or President and the Labor Relations Supervisor. The purpose of this meeting shall be to discuss the facts involved in the grievance so that the Regional Director, or his representative, can decide whether or not to recommend appealing the grievance. The Corporation may suspend or terminate the provisions of Subsection (b) herein with respect to any plant or office by giving ten (10) days' notice in writing to the National DaimlerChrysler Department of the International Union.

(c)--If the International Union refers the matter to the Appeal Board, it shall prepare a record which shall consist of the original written grievance prepared by the Steward, and the written answers to the grievance and such other written records as there may be in connection with the matter and forward the same to the Director of Union Relations of the Corporation, together with a notice that the answer of the Labor Relations Supervisor or his

designated representative with respect to that grievance is not satisfactory to the Union. The matter, if within the power and authority of the Appeal Board as provided in Section (24), may then be submitted to the Appeal Board for final disposition, such disposition to be made as expeditiously as possible.

### **(23) Membership of Appeal Board**

(a)--The Appeal Board shall consist of two executives of the Corporation and two official representatives of the International Union and, when necessary, an Impartial Chairman. The Union and Corporation representatives of the Appeal Board shall attempt to settle all grievances properly referred to the Board.

(b)--In addition to the two (2) executives of the Corporation and two (2) official representatives of the International Union as specified in Subsection (a), upon prior notice to the Company or the Union, as the case may be, a Local Union officer or a representative of the local Plant Management may attend Appeal Board meetings. The Appeal Board members may mutually agree to hold a meeting at the plant to discuss a grievance and the Unit Chairman (President), at the request of the Union members of the Appeal Board, may attend such meeting. Those in attendance under Subsection (b) shall not be considered a member of the Appeal Board as specified in Subsection (a).

(c)--In the event that they are unable to settle a matter, it shall be determined by decision of an Impartial Chairman selected by the parties, or in the event they cannot agree upon an Impartial Chairman within five (5) days, by an Impartial

Chairman selected by the American Arbitration Association, and not by majority vote of the Board.

(d)--Any Impartial Chairman selected shall have only the functions set forth herein. The fees and approved expenses of an Impartial Chairman will be paid one-half by the Corporation and one-half by the Union.

## **(24) Authority of Appeal Board**

The power and authority of the Appeal Board shall be limited to:

(a)--Matters involving the correctness of the classification of employees, and in any such case the absence of a classification requested in a grievance from the list of classifications authorized for use at the plant at which the grievance arose, shall not preclude the application of the requested classification provided the requested classification is an established salaried classification under this Agreement, and provided further that the requested classification is a proper classification on the basis of the work performed, and

(b)--Applying and interpreting the provisions of this Agreement and written Memoranda and Letters of Understanding between the Corporation and the International Union that relate to and supplement the terms of this Agreement, and

(c)--In proper cases, modifying penalties assessed by the Management in disciplinary discharges and layoffs.

The Appeal Board shall not have authority to add to or subtract from or to modify any of the

terms of the Agreement or to establish or change any wage or rate of pay.

Any case appealed to the Appeal Board on which it has no power to rule shall be referred back to the parties without decision.

## **(25) Time of Appeals**

(a)--Hereafter, a grievance not appealed from an answer at one step of the Grievance Procedure to the next step of the Grievance Procedure within five (5) working days after such answer or a grievance not appealed to the Appeal Board within forty-five (45) days after the answer of the Labor Relations Supervisor or his designated representative shall be considered settled on the basis of the last answer and not subject to further review but shall not prejudice the position of either party with respect to a grievance involving the same issue at that or another plant.

(b)--A grievance may be withdrawn either without prejudice or without precedent. If without prejudice, it may be reinstated within three (3) months of withdrawal. If so withdrawn, all financial liabilities shall be cancelled. If the grievance is reinstated, the financial liability shall date only from the date of reinstatement. Where one or more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of a representative case. In such event the withdrawal without prejudice will not affect financial liability. If a grievance is withdrawn without precedent, it may not be reinstated but the withdrawal shall not serve as a precedent in any other case although the withdrawal may be referred to by Management in future cases.

## **(26) Time Limit on Claims**

(a)--No claims, including claims for back wages, by an employee covered by this Agreement, or by the Union, against the Corporation shall be valid for a period prior to the date the grievance was first filed in writing or the date, if any, that the grievance asserts (and the Supervisor acknowledges) the specific claim of back wages was orally discussed with the Supervisor in the First Step of the Grievance Procedure, whichever date is earlier, unless the circumstances of the case made it impossible for the employee, or for the Union as the case may be, to know that he, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of one-hundred and twenty (120) days prior to the applicable starting date as set forth above.

(b)--Deduction from an employee's wages to recover overpayments made in error will not be made unless the employee is notified in writing prior to the end of the month following the month in which the payment in question was delivered to the employee. The notice will specify the amount of the overpayment, and deductions to recover such overpayment shall not commence until the pay period following the pay period in which the notice of overpayment was given to the employee. The requirements of this Subsection (b) shall not apply, however, in cases of pay advancements or payment of full salary made to an employee prior to submission of required evidence of eligibility of the employee for, but not limited to, such benefits as Salary Continuation, Sickness and Accident benefits, Bereavement Pay, Jury Duty and National Guard Training. Recovery of such payment will be made within a reasonable time after the

Corporation has determined the employee does not qualify for the payment. This provision with respect to recovery of overpayment shall in no way affect or change the Corporation's policies or procedures with respect to payment of such benefits.

### **(27) Payment of Back Pay Claims**

If the Corporation fails to give an employee work to which his seniority entitles him, and a written notice of his claim is filed within twenty (20) working days of the time the Corporation first failed to give him such work, the Corporation will reimburse him for the earnings he lost through failure to give him such work.

### **(28) Computation of Back Wages**

No claim for back wages shall exceed the amount of wages the employee would otherwise have earned at his regular rate less:

(a)--Any unemployment compensation or supplemental unemployment benefit he may have received, in which case the Corporation will pay to the appropriate state agency the amount of the unemployment compensation he received in order to restore the employee's entitlements for unemployment compensation benefits, provided the employee authorizes such payment if his authorization is required; also, the employee's entitlement for supplemental unemployment benefit will be restored in accordance with the Supplemental Unemployment Benefit Plan; and

(b)--Compensation for personal services that he was not receiving when he last worked for the Corporation. However, wages for total hours

worked each week in other employment in excess of the total number of hours the employee would have worked for the Corporation during each corresponding week of the period covered by the claim, shall not be deducted. The Appeal Board shall have authority in its discretion to deduct such further amount as it may deem fair.

### **(29) Retroactive Adjustments**

No decision of an Appeal Board or of the Management in one case shall create a basis for retroactive adjustment in any other case.

### **(30) Withdrawal of Cases**

After a case on which an Appeal Board is empowered to rule hereunder has been referred to the Appeal Board, the case may not be withdrawn by either party except by mutual consent.

### **(31) Finality of Decisions**

There shall be no appeal from any Appeal Board's decision. Each such decision shall be final and binding on the Union and its members, the employee or employees involved, and the Corporation. The Union will discourage any attempt of its members, and will not encourage or cooperate with any of its members in any appeal to any Court or Labor Board from a decision of an Appeal Board.

### **(32) Appeal for Interpretation**

Any issue involving the interpretation and/or the application of any term of this agreement may be initiated by either party directly with the other party.



Upon failure of the parties to agree with respect to the correct interpretation or application of the agreement to the issue, it may then be appealed directly to the Appeal Board as provided in Section (22).

## **DISCHARGE AND DISCIPLINE**

### **(33) Maintenance of Discipline**

It is agreed that the maintenance of discipline is essential to the satisfactory operation of the plant and office.

### **(34) Notice of Suspension, Disciplinary Layoff or Discharge**

The Plant Management agrees promptly upon the suspension, disciplinary layoff or discharge of an employee including a probationary employee who has worked for the plant more than thirty (30) days to notify in writing the employee and the Steward in the district of the suspension, disciplinary layoff or discharge, and the reason therefor. Such notice will be provided at a reasonable time where practicable prior to the end of the shift and will advise the employee that he has the right to request union representation. In those situations where it is not necessary that the employee leave the premises immediately, the Corporation will attempt to notify the Steward or the Unit Chairperson before the employee is advised of the suspension, disciplinary layoff or discharge.

If such an employee is absent from the plant at the time the action is taken, where it was not

practicable to provide written notice prior to his leaving the plant, Management will send to the employee's last known address notice of his suspension, disciplinary layoff or discharge and notice that he has the right to request representation.

### **(35) Union Representation**

The employee may ask to discuss his suspension, disciplinary layoff or discharge with the Steward for the district, on the shift to which the employee is assigned and the Management will designate an office where he may do so before he is required to leave the plant. Upon request, the employee's supervisor or other designated representative of Management will discuss the suspension, disciplinary layoff or discharge with the employee and the Steward, on the shift to which the employee is assigned. In proper cases, exceptions shall be made.

### **(36) Appeal of Discharge**

Should the discharged employee or the Steward consider the discharge to be improper, a complaint shall be presented in writing through the Steward to the Labor Relations Supervisor within three (3) regularly scheduled working days after the discharge. The Management of the plant will review the discharge and give its answer within three (3) regularly scheduled working days after receiving the complaint. The Management of each plant is authorized to settle such matters. If the decision is not satisfactory to the Union, it shall refer the matter directly to the second step of the Grievance Procedure within five (5) working days after receiving the answer. Any employee who is discharged at one plant of the Corporation and

whose discharge is not reversed through the bargaining procedure, shall be deemed a discharged employee at all other plants of the Corporation; provided that, if he is discharged for inability to perform the assigned work, he shall be deemed a discharged employee only at the plant at which he is discharged.

### **(37) Use of Past Record**

In imposing any discipline on a current charge, Management will not take into account any prior infractions which occurred prior to the twelve (12) month period of active employment immediately preceding the current charge, nor impose discipline on an employee for falsification of his/her employment application after a period of twelve (12) months from his/her date of hire.

## **SENIORITY**

### **(38) Probationary Employees**

(a)--New employees hired in the unit shall be considered as probationary employees for the first one hundred twenty (120) days of their employment. The one hundred twenty (120) days probationary period shall be accumulated within not more than one (1) year. When an employee finishes the probationary period, by accumulating one hundred twenty (120) days of employment within not more than one (1) year, he shall be entered on the seniority list of the unit and shall rank for seniority from the day one hundred twenty (120) days prior to the day he completed the probationary period.

The provisions of this Section shall not apply to temporary employees as defined in the Letter of Understanding "Temporary Hires".

(b)--There shall be no seniority among probationary employees.

(c)--An employee with seniority in one plant of the Corporation who is hired as a new employee at another plant of the Corporation will not be required to serve another probationary period but shall rank for seniority at the new plant as of his date of entry into the new plant.

(d)--The Union shall represent probationary employees for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment as set forth in Section (1) of this Agreement, but the Union shall not represent probationary employees who have been laid off or discharged and who have worked for the plant or office less than thirty-one (31) days since the date of their last hiring except in case the layoff or discharge is for discrimination for Union activities. When other factors enter into the discharge of such a probationary employee, the Union shall not represent the probationary employee. The Union may represent probationary employees who have worked at the plant or office more than thirty (30) days, however, any claim made by a probationary employee made after thirty (30) days of employment that his layoff or discharge is not for cause, or discriminatory under Section (4), may be taken up as a grievance provided, however, that (i) the employee shall be deemed to have continued to be on probation, and therefore the Corporation shall not be held to the same standards as in the case of seniority employees; and (ii) the Union shall upon filing a grievance concerning such

an employee state in what respects the discharge is alleged to be arbitrary and, therefore, was not related to the employee's attitude, performance, conduct, or potentiality as a satisfactory employee. The Appeal Board shall have jurisdiction over such case. A probationary employee who is discharged and later reinstated shall not be deemed to have served any part of his probationary period between the date of his discharge and his reinstatement.

(e)--An employee who is separated during his probationary period for an occupational disability arising out of his employment by the Corporation and who is subsequently reinstated shall be required to complete his probationary period, and *upon doing so shall have a seniority date which includes the time he was separated due to such disability, plus one hundred twenty (120) days.*

(f)--The provisions of Subsections (a) and (e), as it pertains to the one hundred twenty (120) days, shall apply only to employees hired by the Corporation on or after September 15, 1982. For employees on the active roll of the Corporation or seniority employees on the inactive roll as of September 14, 1982, the probationary period shall be ninety (90) days, unless they lose seniority and are rehired by the Corporation in which case the one hundred twenty (120) day provisions shall apply.

### **(39) Employee Defined**

For the purpose of these Sections (38) through (61), the word "employee" means an employee who has acquired seniority.

## **(40) Seniority Defined**

### **(a)--Engineering**

Seniority shall be by non-interchangeable occupational group within the department, division or unit.

### **(b)--Office and Clerical**

Seniority shall be by department unless negotiated locally by division or occupational group. When departments are combined in a division or classifications are combined in an occupational group, the work shall be substantially similar.

## **(41) Seniority Lists**

(a)--Seniority shall not be affected by the age, sex, religion, race, color, national origin, handicap, marital status, or dependents of the employee.

(b)--The seniority lists on the date of this Agreement show the names of all employees of the unit entitled to a ranking for seniority.

(c)--The Management will keep the seniority lists up to date at all times, and whenever a Steward shall raise a question of seniority, shall make the seniority list available for his inspection for the purpose of settling the question. Management will post corrected seniority lists every ninety (90) days.

(d)--In plants where such lists are typed, three (3) copies will be given to the Local Union or Unit of an Amalgamated Local Union and will include the classifications of the employees on the list as of the

date of the list. This will not require a change in any mutually satisfactory local practice now in effect and will not limit any local practice hereafter agreed upon.

(e)--The Unit Chairman/President may request and the Management will include on the seniority lists, provided the plant's current system has the capability, a notation alongside an employee's name that he has seniority rights in another seniority group and, where feasible, seniority rights in another Unit.

## **(42) Loss of Seniority**

An employee shall lose his seniority for the following reasons only:

(a)--He quits.

(b)--He is discharged and the discharge is not reversed through the Grievance Procedure.

(c)--He is absent for five (5) days without notifying the plant, unless, for a reason beyond his control, he is unable to comply with such notice requirements. In proper cases, exceptions shall be made. After such absence, Management will send written notification to the employee at his last known address that he has lost his seniority. Such notice will include the name of the person he is to contact at the plant in the event he has evidence to establish a claim that he did in fact notify the plant of his absence or evidence that his is a proper case in which an exception should be made. Such notice will also advise him of his right to Union representation, at his request, while he is in the Employment Office. If the disposition made of any

such case is not satisfactory, the matter may be referred to the Grievance Procedure.

(d)--If he does not return to work when called. In proper cases, exceptions shall be made if the employee can satisfactorily substantiate and had promptly informed the plant that for a reason beyond his control he was unable to comply with such call to return. If the disposition made of any such case is not satisfactory, the matter may be referred to the Grievance Procedure.

(e)--If he is laid off during the term of this Agreement for a continuous period equal to the seniority he had acquired at the time of such layoff period, or for five (5) years, whichever is longer.

(f)--He receives permanent total disability benefits under a group insurance policy held by the Corporation. If he ceases to receive such benefits and is reemployed, his seniority, including that which he otherwise would have acquired during the period of his disability, shall be restored.

(g)--He retires or receives a pension under the Pension Plan of this Agreement. If he receives a pension for permanent total disability and is reemployed, his seniority including that which he otherwise would have acquired during the period of his disability, shall be restored.

(h)--He accepts a Separation Payment under the Supplemental Unemployment Benefit Plan incorporated in this Agreement in which event his seniority shall be broken at any and all plants and locations of the Corporation as of the date his application for the Separation Payment was received by the Corporation.



### **(43) Seniority of Stewards**

Notwithstanding their position on the seniority list, Stewards shall, in the event of a layoff, or temporary adjustment, be continued at work as long as there is work being performed in their district which they have the ability to perform and any of their respective constituents still are at work, and shall be recalled to work after the layoff as soon as there is work being performed in their district which they have the ability to perform and any of their respective constituents have been recalled to work. During temporary adjustments, Stewards shall investigate and present only grievances that arise during such adjustment.

### **(44) Seniority of Officers**

(a)--(i) Engineering Only--Notwithstanding their position on the seniority list, the Chairman/Committeeman of each Engineering Unit; the President and Vice-President of the Local Union; and the Local No. 212 Engineering Unit Executive Board Member shall in the event of an indefinite layoff and recall be continued at work in the order listed above at all times when one or more departments or fractions thereof are at work, provided that they have the ability to perform work being done at the time.

(ii) Office and Clerical Only--Notwithstanding their position on the seniority list, the President/Committeeman and Vice-President of the Unit; the President and Vice-President of the Local Union and the Local No. 212 Office and Clerical Unit Executive Board Member shall in the event of an indefinite layoff and recall be continued at work in the order listed above at all times when one or more departments or fractions thereof are at work,

provided that they have the ability to perform work being done at the time.

(b)--Notwithstanding his position on the seniority list, the Unit President / Chairman / Committeeman and the President of the Local Union if working in the plant shall in the event of a temporary layoff or temporary adjustment be continued at work at all times when one or more departments or fractions thereof are at work, provided each has the ability to perform the work being done at the time. The Unit President/Chairman/Committeeman would be the last person affected in applying Sections (43) and (44).

#### **(45) Medical Cases**

(a)--When an employee's absence from work is due solely to disability resulting from sickness or injury and due proof of disability is given to the plant he will be returned to work in accordance with his seniority and these rules as nearly as may be as if he had not suffered disability, provided he passes the required medical examination. If the disposition made as the result of any such medical examination is not satisfactory, the employee may ask to discuss the matter at the plant with his Steward or Unit Chairman, and Management will arrange for him to do so. If a grievance on the matter is submitted, it may be referred to Step 2 of the Grievance Procedure. The Unit Chairman may then take the grievance up with the Labor Relations Supervisor or his designated representative. In proper cases, the parties may select an independent physician to resolve the conflicting medical findings of the employee's personal physician and the plant physician with respect to determining the employee's ability to perform the

duties of the available work to which he would be entitled by seniority. The selection of an independent physician by the Plant Management and the Local Union will be made within seven (7) working days from the date the matter was referred to the Labor Relations Supervisor or his designated representative. Costs will be paid by the Plant. If the report of the independent physician places work restrictions or limitations on the employee equal to or greater than those previously placed on him by the plant physician, there shall be no retroactive pay. If the report or decision places work restrictions or limitations on the employee which are less than those previously placed on him by the plant physician, retroactive pay, if any, shall be limited to the period beginning with the day of the final examination by the independent physician and shall be calculated as provided in Section (28).

The decision of the independent physician shall be final and binding on the Corporation, the employee involved and the Union.

(b)--If an employee claims he is unable to perform the duties of the available work to which he would be entitled by seniority and Management disputes such claim, the issue shall be submitted to an independent physician, provided consultation between the employee's personal physician and the plant physician or physicians acting for the Corporation does not resolve the conflicting medical findings. The independent physician shall be selected by the Local Union and the Plant Management within seven (7) working days from the date the dispute arose. The employee shall submit to a physical examination by the independent physician who shall submit a written report of his findings and conclusions. Costs of

such examination shall be paid by the Plant. The decision of the independent physician shall be final and binding on the Corporation, the employee involved, and the Union.

#### **(46) Shift Preference Agreements**

Provisions pertaining to shift preference shall, where applicable, be negotiated locally in the plants. Any such agreements must have sufficient flexibility to give full protection to efficiency of operations at all times.

#### **(47) Overtime Agreements**

Arrangements for the equalization of overtime hours among salaried employees on the same classification in the same seniority group may be negotiated locally in the plants.

Any such agreements must have sufficient flexibility to give full protection to efficiency of operations at all times.

#### **(48) Local Agreements**

Local supplementary seniority agreements shall be subject to approval by the Corporate Union Relations Department of the Corporation and the DaimlerChrysler Department of the International Union.

# **LAYOFF AND RECALL**

## **(49) Layoff Definitions**

The term "layoff" when used in this Agreement means a reduction in the working force and includes the definitions as set forth in (a) and (b) below.

### **(a)--Indefinite Layoff**

An indefinite layoff means a reduction in the working force for an unknown or indefinite duration for any reason not set forth in Subsection (c) below.

### **(b)--Temporary Layoff**

A temporary layoff means a reduction in the working force for a definite period of time for any reason not set forth in Subsection (c) below.

### **(c)--Temporary Adjustment**

A temporary adjustment means a reduction in the working force necessitated by unplanned occurrences which require partial or full curtailment of operations and over which Management has no control. Such occurrences are usually for a limited duration and are caused for example by parts or material shortages, machinery or equipment failures, temporary tooling or production difficulties, labor disputes, emergencies, or acts of God.

## **(50) Temporary Adjustments Procedure**

Temporary adjustments of the working force may be made without regard to seniority for a

period of five (5) working days. If the period of the reduction exceeds five (5) working days and the Local Union requests Management to adjust the working force, as set forth in Section (52)(a), it will do so within five (5) working days following receipt of the request. During such adjustments, Management will endeavor to give consideration to retaining senior employees when time and circumstances permit.

### **(51) Notice of Layoff**

The Management will give to employees and to the Steward in the district at least twenty-four (24) hours notice of indefinite or temporary layoffs.

An employee returning to work from a leave of absence which necessitates the layoff of a lesser seniority employee shall not be scheduled to start work until Management has an opportunity to provide notice of layoff to the employee to be displaced. The additional period required to return the employee to work shall be considered as a continuation of his leave of absence.

### **(52) Layoff Procedure**

(a)--Plant Layoff Procedure. When there is an "indefinite layoff", the following procedure shall be followed:

1. Probationary employees will be laid off on a unit-wide basis in such manner and as expeditiously as is consistent with the continuous, efficient and orderly operation of the offices or departments involved, provided that the laid-off seniority employee who displaces the probationary employee is willing to accept and has the ability to perform the job.

2. Employees with seniority will be laid off according to seniority provided the greater seniority employees are able to perform the available work. However, the Corporation shall not be required to promote an employee at time of layoff unless he has previously performed the higher-rated job and is able to do the work.

3. Local supplemental seniority agreements may provide that an employee in one seniority group who thereafter is laid off, and who desires to displace an employee in another seniority group as set forth in this Subsection shall, within two (2) weeks of notice of such layoff, apply in writing to do so at his plant Employment Office. Such an applicant shall be recalled within thirty (30) days after layoff or, if not recalled within that time period, at the time lesser seniority employees are being recalled to the other seniority groups to displace an employee with less seniority in another seniority group in the same classification or in a classification that he previously held the work of which he satisfactorily performed, provided he has thirty (30) days more seniority than the employee he displaces and he is qualified to perform the duties of the employee he displaces. Employees placed under this Subsection shall enter the new seniority group with full ranking for seniority, and their seniority in other groups shall terminate. The Corporation shall have five (5) working days after the Union files a written grievance in which to correct any error in the application of this Subsection.

Local engineering supplemental seniority agreements may provide that employees assigned to engineering classifications who transfer from one noninterchangeable occupational group to another noninterchangeable occupational group may

continue to accumulate seniority in their former noninterchangeable seniority group.

4. For the purposes of Paragraph 3., the phrase "in a classification that he previously held" includes (i) classifications that appear on the employee's employment record, the work of which he satisfactorily performed for the Corporation since his last date of hire, regardless of whether or not it was then a bargaining unit position, and (ii) a job in the unit, the duties of which, as set forth in the job description thereof, the employee satisfactorily performed in the unit although the classification does not appear on the employee's employment record in his present unit. In the event of a dispute under this Paragraph 4., the employee's employment record shall be controlling.

The provisions of Paragraphs 3. and 4. of this Subsection (a) shall not require any change in the Corporation's practices or procedures with respect to recording the classification of employees.

(b)--Temporary Layoff Procedure.

1. Employees may be laid off for five (5) working days according to seniority by classification in each department. If such layoff exceeds five (5) working days, the Union may request in writing the Plant Management to adjust the working force according to seniority, by department, division, or occupational group. Plant Management shall then do so within five (5) working days thereafter, unless said time is extended by mutual agreement. During such adjustments, including those instances where it is anticipated a number of such adjustments will occur on a regular recurring basis, Management will



endeavor to give consideration to retaining senior employees when time and circumstances permit, or

2. Local Supplemental Seniority Agreements may provide that when there is a temporary layoff, employees on each shift in each classification and in each department or such groupings of departments performing substantially similar work as may be agreed upon locally will be laid off as follows:

(a)--Probationary employees will be laid off.

(b)--Employees with less than six (6) months of seniority will be laid off according to seniority.

(c)--Employees with six (6) months or more of seniority will be laid off in the inverse or descending order of their seniority with the most senior employee being laid off first provided that the employees remaining at work have the present ability to perform the available work without break-in. Employees will be advised of the expected duration of the layoff and their scheduled return date. However, such employees may elect to remain at work and if able to perform the available work will be permitted to do so in the same seniority order up to the number of employees required. Employees laid off under this Subsection (b)2.(c) shall not be eligible for placement in other plants of the Corporation pursuant to Section (54), Work Opportunity for Laid Off Employees.

(d)--If the expected duration of the temporary layoff is subsequently extended to a later but definite date, employees laid off pursuant to Subsection (b)2.(c) above will be afforded the option of returning to work on the date originally

scheduled or remaining on layoff for the duration of the extended period. An employee who elects to return on the originally scheduled date will displace the junior employee on the shift in the classification in the department.

(e)--(i) If it becomes necessary to recall employees laid off under Subsection (b)2.(c) above prior to the date originally planned, they will be recalled in the ascending order of their seniority with the most junior such employee in the department on the affected shift and classification being recalled first.

(ii) If, after employees are laid off under Subsection (b)2.(c), it is determined in a department that the layoff will be extended for an indefinite period of time, the workforce in the department including those employees on layoff will be adjusted within ten (10) working days thereafter in accordance with Section (52) (a), Layoff Procedure-Indefinite Layoffs.

(f)--If the duration of a temporary layoff is expected to exceed ten (10) working days, the Local Union will be so notified. At the request of the Local Union the Management will consider employees on all shifts in a department as being on one shift for purposes of Subsection (b)2.(c). In a temporary layoff of such expected duration, the Local Union may request the Management to waive the Temporary Layoff provisions set forth in Subsection (b)2.(c) and Management will reduce the working force according to the Indefinite Layoff provisions as set forth in Section (52)(a). Either of such requests shall be made in writing within twenty-four (24) hours of the time the Union is notified of the layoff.

(g)--Further, prior to each temporary layoff affecting fifty percent (50%) or more of employees in each department, the Management and the Local Union may agree to combine the existing shifts for the purpose of applying the inverse seniority concept. The parties recognize the number of employees which can be interchanged between shifts will vary between departments depending upon the nature of operations, the skills and experience required, etc. Any such agreement must result in maintaining an experienced, qualified workforce with the present ability to perform the available work without break-in. If combining shifts prevents the twenty-four (24) hour notice of layoff required by Section (51), such requirement is waived.

It is understood and agreed that the application of this provision shall be for temporary layoffs that are scheduled to last one or more full weeks.

If the International Union believes that in a particular plant the agreements set forth under this Subsection (b)2.(g) are being unfairly applied, they may take up any such requests which it believes meritorious with the Corporate Union Relations Staff.

(c)--Engineering Group Layoff Procedure. The provisions of this Subsection (c) shall only apply when employees, as set forth below, are placed on indefinite layoff.

1. Within forty-five (45) days after an engineering employee is placed on indefinite layoff from his plant in the Detroit area (Wayne, Macomb and Oakland Counties), the laid off employee shall displace the junior employee (provided such employee has twelve (12) months less seniority

than the laid-off employee in the same engineering classification in another bargaining unit of the same group or in another plant in the same group and bargaining unit if a bargaining unit consists of employees in two (2) or more plants), provided, however, that this Agreement shall apply only as hereinafter designated:

<u>Group</u>	<u>Classification No.</u>	<u>Applicable Plant or Office Location</u>
Stamping	211A and 211B, 238	Sterling Stamping Warren Stamping, and Advance Manufacturing Engineering-Stamping personnel
Car and Truck Assembly	211A and 211B, 218A and 218B	Warren Truck and Jefferson North Assembly

2. It provided further that:

(a)--No employee in the Stamping Group as set forth in Subsection (c)1. above shall displace a junior employee pursuant hereto unless both the senior and junior employees are at the time in one of the following occupational groups in the same classification: Tool, Die, Tool and Die Estimating, and has regularly performed the work of the junior employee and has the present ability to perform the work.

(b)--No employee in the Car and Truck Assembly Group as set forth in Subsection (c)1. shall displace a junior employee pursuant hereto unless he has previously satisfactorily performed the work. It is further understood that the

employees in classifications heretofore described perform many distinct types of work, and no employee shall displace another employee in said group unless he has the present ability to perform the work of the employee he displaces. The determination of an employee's present ability shall not be based exclusively on his having performed one distinct type of work.

3. The occupational groups within classifications described in Paragraph 2.(a) above of this Subsection (c) shall be deemed non-interchangeable for all purposes.

4. Employees who transfer to new plants or bargaining units, as herein before provided, shall carry with them to the new plants or bargaining units, the seniority they had in the plants from which they are transferred and shall lose seniority in their old plants.

### **(53) Recall Procedure**

When the working force is increased after an indefinite layoff, as set forth in Section (52)(a), before promoting employees pursuant to Section (60)(a)(2), employees will be recalled according to seniority, provided the greater seniority employees are able to perform the available work. However, the Corporation shall not be required to promote an employee at time of recall unless he has previously performed the higher rated job and is able to do the work. The recall procedure for temporary layoff is set forth in Section (52)(b).

## **(54) Work Opportunity for Laid Off Employees**

The Management agrees that in employing new people in any seniority group it will so far as reasonably practicable give work opportunity to employees who are at the time on indefinite layoff and are not expected to be returned to work in their unit in the following order:

(a)--To employees of other seniority groups within the unit.

Office and clerical employees reinstated to permanent positions pursuant to this Subsection shall be reinstated with full seniority and their seniority in other seniority groups within the unit shall terminate. Employees reinstated pursuant to this Subsection to temporary positions shall be reinstated with date of entry seniority while maintaining their seniority in their former seniority groups for a period not to exceed thirty (30) days or any extension thereof as agreed upon by the parties. If such assignments exceed such period, their full seniority will be transferred to the new seniority group and their seniority in any other seniority groups within the unit shall terminate.

(b)--To employees of other Units covered by this Agreement. Such employees shall rank for seniority as of date of entry in the unit. The term "employees of other units" shall include those laid off seniority employees under the National Engineering and Office and Clerical Agreements who have previously held a salaried clerical classification which is common to both Agreements. Employees hired in a unit on such a classification pursuant to the provision of this Subsection, will not

be required to serve another probationary period but shall rank for seniority as of date of entry in the unit. In the placement of such laid off employees, the Corporation has and will continue to emphasize the placement of such laid off employees consistent with their corporate service, experience, ability and performance.

If, in the placement of employees pursuant to this Subsection, the International Union has a question concerning the placement of any such employee, it may discuss the matter with Corporate Union Relations.

(c)--A salaried clerical seniority employee on indefinite layoff pursuant to the National Office and Clerical Agreement, and a seniority clerical employee under the National Engineering Agreement, who accepts work opportunity pursuant to Sections (54)(b) or (55) of the Agreement at the same or another plant of the Corporation or in a position (excluding work in an hourly classification) not included in a unit covered by either the National Office and Clerical or Engineering Agreements, shall not be subject to recall to his former unit unless and until he is placed on indefinite layoff. When so laid off, he shall elect (i) to retain employment rights or seniority at his present plant or unit and in such case his seniority at all other units under the National Office and Clerical and Engineering Agreements shall terminate, or (ii) to return to his former unit with accumulated seniority and in such case his employment rights or seniority at all other plants and units shall terminate. An employee who upon being placed on indefinite layoff fails or refuses to make such election shall be deemed to have elected to retain seniority at the unit at which he has greatest seniority, and his

employment rights or seniority at all other plants or units shall terminate.

An employee accepting work under Subsection (b) shall retain any rights accrued for purposes of holidays, vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

### **(55) Offer of Work Under S.U.B.P.**

(a)--Any provision of this Agreement to the contrary notwithstanding the Corporation shall have the right to offer an employee on indefinite layoff available work in any plant of the Corporation in the same labor market area as established under the Supplemental Unemployment Benefit Plan, Exhibit "D". For the purposes of this Section only, available work includes open jobs and work being performed by probationary employees who may be displaced.

(b)--An employee who refuses an offer of available work under this Section shall not, by such refusal, lose his right of recall to the plant from which he was laid off, but shall not be eligible for any benefits under the Supplemental Unemployment Benefit Plan except as provided in Article I, Section (3)(b)(3) of the Supplemental Unemployment Benefit Plan, Exhibit "D", provided, however, that refusal by a Salary Employee (as defined in the Plan) of an offer to work which refusal would not disqualify him for a State System Unemployment Benefit in the state in which he works shall not result in ineligibility for a Benefit under the Plan.

(c)--An employee who accepts available work at another plant as hereinbefore set forth shall be a



new employee in the plant in which he accepts such work.

(d)--Engineering Only - On being recalled to his former plant, he shall have full seniority rights with accumulated seniority but shall have no seniority rights in the plant from which he was recalled.

## **TRANSFER AND PROMOTION**

### **(56) Transfer of Employees**

(a)--An employee who is transferred either by the Corporation or at his own request from one bargaining unit represented by the Union to another such unit shall start work as a new employee in the unit to which he is transferred and shall retain his seniority in the former unit, provided however, that employees who transfer with operations will be transferred pursuant to Section (57). An employee transferred pursuant to the terms of this Subsection (a) shall not return to his former unit unless and until he is placed on indefinite layoff pursuant to the terms of Section (52)(a). If, so laid off, he may elect (i) to remain on layoff at the new unit and in such case his seniority at all former units shall terminate, or (ii) to return to his former unit with full accumulated seniority and in such case his seniority at the new unit shall terminate. If he makes no election, he shall retain seniority in his former unit and lose seniority in the new unit.

(b)--An employee who is transferred either by the Corporation or at his own request from a bargaining unit represented by the Union, under the National Engineering or National Office and Clerical

Agreement, to another such unit, under the other agreement, shall start work as a new employee in the unit to which he is transferred and shall retain his seniority in the former unit, provided however, that employees who transfer with operations will be transferred pursuant to Section (57). An employee transferred pursuant to the terms of this Subsection (b) shall not return to his former unit unless and until he is placed on indefinite layoff pursuant to the terms of Section (52)(a). If, so laid off, he may elect (i) to remain on layoff at the new unit and in such case his seniority at all former units shall terminate, or (ii) to return to his former unit with full accumulated seniority and in such case his seniority at the new unit shall terminate. If he makes no election, he shall retain seniority in his former unit and lose seniority in the new unit.

(c)--(i) If an employee was transferred to a position in the plant not included in the unit prior to March 1, 1977 and is transferred again to a position within the unit, he shall accumulate seniority up to March 1, 1977 while working in the position out of the unit to which he was transferred;

(ii) If an employee was transferred to a position in the plant not included in the unit and was subsequently transferred to a different plant of the Corporation prior to March 1, 1977, he shall accumulate seniority in the unit for a period equal to the seniority he had at the time of such subsequent transfer; if such subsequent transfer takes place on or after March 1, 1977, he shall have accumulated seniority up to March 1, 1977.

(d)--If an employee was transferred from the unit into any other plant or office of the Corporation to a position not included within a unit prior to

March 1, 1977, he shall accumulate seniority in the unit from which he was transferred up to March 1, 1977 for a period of time not to exceed the seniority he had at the time of such transfer. If, he is transferred again to a position within his former unit during a period measured by the length of seniority he had at the time of his transfer from the unit plus an equal amount of time, he shall return to his former unit with full accumulated seniority. After this period, he shall return to his former unit with the seniority he had at the time of his transfer from the unit.

(e)--An employee transferred to a position not included in the unit on or after March 1, 1977 who is again transferred to a position in the unit, shall commence work with the amount of seniority he had at the time of his transfer to a position not included in the unit.

(f)--Employees who transfer under this Section (56) shall retain any rights accrued for purposes of vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

(g)--Office and Clerical Only - An employee who is transferred either by the Corporation or at his own request from one seniority group to a permanent position in another seniority group within the same unit shall enter the new seniority group with full seniority, and his seniority in other seniority groups in the unit shall terminate. An employee who is transferred pursuant to this Subsection (g) to a temporary position shall be transferred with date of entry seniority while maintaining his seniority in his former seniority group for a period not to exceed thirty (30) days or any extension thereof as agreed upon by the parties. If the assignment exceeds

such period, the employee's full seniority will be transferred to his new seniority group and his seniority in any other seniority groups in the unit shall terminate.

## **(57) Transfer of Operations**

(a)--When operations are transferred from one seniority group to another seniority group within a bargaining unit represented by the Union, the Corporation will determine the number of additional employees, if any, the receiving seniority group will need to perform the transferred operations, and employees engaged on such operations may, if they so desire and if needed in the receiving seniority group, be transferred to that seniority group. Employees whose jobs are transferred who do not wish to transfer to the receiving seniority group or for whom no jobs are available in the receiving seniority group will exercise their seniority rights in the seniority group in which they work.

(b)--When operations are to be transferred from one such unit to another such unit, the Corporation will notify the International Union in writing of such transfer. Such notice will be given in advance and as promptly as the circumstances in each case permit. Plant Management will advise the Unit Chairman/President at the receiving unit as well as the unit from which the operations are being transferred of impending transfers and upon request will discuss the details, including where available, the nature of the work involved and the numbers of employees affected. The Corporation, at the request of the International Union, will negotiate the advisability of transferring to the receiving unit employees who are affected by the transfer of the work.

(c)--In the event the parties are unable to agree on a suitable arrangement in discussions pursuant to Paragraph (b) above, the Corporation shall determine the number of additional employees, if any, the receiving unit will need to perform the transferred operations and will offer work at the receiving unit to employees in the unit from which the operation will be transferred in the following order:

- (i) Employees working on the operation;
- (ii) Employees working in the department;

(iii) Employees working in the seniority group. If, within one hundred and twenty (120) days after the completion of such transfer, the number of employees needed to perform the transferred operations in the receiving unit should change, the Corporation, at the request of the International Union, will discuss the advisability of adjusting the number of employees required at the receiving unit.

(d)--When operations are transferred pursuant to Paragraph (a), (b) or (c) above, employees working on the operations who do not wish to transfer to the receiving unit or who are not needed there shall, after exercising their seniority rights in the seniority group in which they work, be given work opportunity in accordance with Section (52)(a)(3).

(e)--If operations are concurrently transferred between two or more seniority groups within a unit or between two or more units represented by the Union, the number of employees to be transferred from one seniority group or unit, as the case may be, may be offset against the number of employees

to be transferred to that seniority group or unit, and only the difference, if any, shall be transferred.

(f)--Employees transferred from one seniority group to another seniority group or from one unit to another unit as provided in this Section shall transfer with their full seniority to the receiving seniority group or unit, and their seniority in the former seniority group or unit shall terminate.

(g)--Employees under the National Office and Clerical Agreement or the National Engineering Agreement transferred from a bargaining unit under one Agreement in a transfer of operations, pursuant to this Section, to a bargaining unit under the other Agreement, shall be transferred with full seniority and their seniority in the former unit shall terminate.

## **(58) Other Transfers**

The Corporation agrees that in movements of work from one plant of the Corporation to another not covered by Sections (56) or (57) of this Agreement, the Corporation will notify the International Union in writing of such transfers. Plant Management will advise the Unit Chairman/President of impending transfers and upon request will discuss the details, including where available, the nature of the work involved and the numbers of employees affected.

The Union may refer to the Grievance Procedure only those cases where the Union has facts to support a claim of erosion in that the motive for the reassignment out of the unit was to provide work to non-Union personnel at the expense of personnel represented by the Union, and was not

for clear economic, organizational or geographic reasons.

## **(59) Discontinuance of Operations**

When operations or departments are discontinued, employees affected will, after exercising their seniority rights in the seniority group in which they work, normally as set forth in (a) through (d) below, be given other work in the unit they can do without change of ranking for seniority in accordance with Section (52)(a)(3).

(a)--Open jobs of an equal salary grade, the work of which they can satisfactorily perform.

(b)--Jobs of probationary employees of an equal salary grade, the work of which they can satisfactorily perform.

(c)--Jobs of lesser seniority employees of an equal salary grade, the work of which they can satisfactorily perform.

(d)--In descending salary grade order, open jobs, jobs of probationary employees or jobs of lesser seniority employees, the work of which they can satisfactorily perform.

## **(60) Promotions**

(a)--Promotions to higher paid jobs shall be based on seniority and ability to do the work and employees shall receive consideration in the following order:

(1) Employees working in the seniority group who have previously held the classification in that group and satisfactorily performed the work;

(2) Employees working in other seniority groups who have previously held the classification in the seniority group and satisfactorily performed the work, provided such employees have made written application to the plant Personnel Department for promotional opportunity pursuant to the terms of this Section at least five (5) working days prior to the date the opening occurs, but in no event later than three (3) years of their placement in the other seniority group. A duplicate of such application will be given to the employee;

(3) Employees working in the seniority group who have previously held the classification and satisfactorily performed the work for the Corporation within five (5) years of the date the opening occurs, provided such employees have made written application to the plant Personnel Department at least five (5) working days prior to the date the opening occurs. A duplicate of such application will be given the employee.

For the purposes of this Paragraph, the phrase "previously held the classification and satisfactorily performed the work for the Corporation" includes a job, the duties of which, as set forth in the job description thereof, it is determined the employee satisfactorily performed in his present plant or office although that classification does not appear on the employee's employment record. In the event of a dispute under this Paragraph, the employee's record in his present plant or office shall be controlling.

(4) Employees working in the department or, if negotiated locally, in the seniority group.

Local supplemental agreements may provide that employees who are desirous of a promotion



under this Paragraph (4) shall make a written application in the plant Personnel Department specifying the classification for which they wish to be considered. Only those employees who have applications on file for a particular classification will be considered for that classification.

If, among such applicants, a higher seniority employee is bypassed for a promotion because, in Management's judgment, he does not possess the ability to do the work of the classification, he shall be informed of the reason why he was not promoted. Any complaint concerning the matter may be presented as a grievance.

(b)--Employees who are assigned for temporary periods to jobs which are classified on higher or lower salary grades than their regularly assigned jobs, will not have their classifications changed unless the duration of the temporary assignment is for one (1) full week or more. If such temporary assignment is for one (1) full week or more, employees will be reclassified to the higher grade and be paid at the higher rate retroactive to the first day of the assignment. This provision is intended to cover such situations as coverage for fluctuations in work loads, replacements for employees who are absent from work because of vacations and those absent on short-term illness.

It is not intended that employees be used as replacements on higher salary classifications on a regular basis for a short period of time for the purpose of avoiding classifying or compensating the employees in a proper manner.

Employees who have been selected to fill temporary openings on higher classifications will not be given credit for time worked on such

classifications in the application of Subsection (a) of this Section (60).

### **(61) Better Jobs Within Unit**

Employees in each plant who are desirous of consideration for better jobs in other seniority groups within the unit may make such preference known through the office of the local Personnel Department, by making application for a specific series of related classifications in writing. The employee will attach an updated copy of a Personal History Record with the application. The employee will be given a copy of the application. Upon request, the Unit Chairman or President may examine such applications that are on file at the local Personnel Department. It is intended that the employees who have made such applications at least five (5) working days prior to the date the opening occurs, shall receive full and complete evaluation as to their abilities and capacities to perform the open jobs. Where more than one applicant may be offered the job and such applicants' abilities and capacities are equal the employee having the greatest seniority will receive preference. Upon request of the employee; he will be informed of the reason(s) for Management's decision. The Corporation shall not be required to consider an application from an employee who has obtained a better job under this Section unless he has remained on his new classification for a period of at least six (6) months.

In any case in which the Union has persuasive evidence that Management improperly or unfairly assessed the abilities and qualifications of such an applicant, it may refer the matter to the Grievance Procedure.

# **VETERANS**

## **(62) Reinstatement of Seniority Employees**

Any employee who enters into active service in the armed forces of the United States, upon the termination of such service, shall be offered reemployment in his previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event he will be offered such employment in line with his seniority as may be available which he is capable of doing at the current rate of pay for such work, provided he meets the following requirements:

(a)--Has not been dishonorably discharged;

(b)--Can perform the essential functions of the work with or without accommodation unless that accommodation would pose an undue hardship in the operation of the business of such employer; and

(c)--Reports for work within ninety (90) days of the date of such discharge, or ninety (90) days after *hospitalization continuing after discharge* for not more than one (1) year.

If an employee while in the armed forces would, if working, have been laid off for a period equal to the total seniority which he would have accumulated up to the time of layoff, he shall have no re-employment rights.

## **(63) Reinstatement of Probationary Employees**

(a)--A probationary employee who enters the armed forces and meets the foregoing requirements, must complete his probationary period, and upon completing it will have seniority equal to the time he spent in the armed forces, plus one hundred twenty (120) days.

(b)--Upon applying for reinstatement, the probationary employee will have the right to displace any other employee in his seniority unit whose seniority is less than the time the probationary employee spent in the armed forces plus the portion of his probationary period he served before entering the armed forces.

(c)--For the purpose of determining eligibility for vacation, or if a layoff should occur prior to the completion of the probationary period, that portion of the probationary period already served plus the time spent in service will be credited for these purposes only.

(d)--If a probationary employee while in the armed forces would, if working, have been laid off for a period equal to his service in the armed forces up to the time of layoff plus the portion of his probationary period he had already served before entering the armed forces, he shall have no reemployment rights.

## **(64) Veterans' Laws**

The terms and conditions of agreements between the Corporation and the Union relating to veterans will be governed by applicable laws and

regulations, and will continue to be applied in a non-discriminatory manner.

### **(65) Educational Leave of Absence for Veterans**

Employees who are reinstated in accordance with the Universal Military Training Act, as amended, and other applicable laws and regulations, will be granted leaves of absence for a period not to exceed a period equal to their seniority in order to attend school full time under applicable federal laws in effect on the date of this Agreement.

## **LEAVE OF ABSENCE**

### **(66) Leave for Good Cause**

(a)--Leaves of absence for reasonable periods not to exceed one (1) year will be granted without loss of seniority for good cause, such as personal illness or accident, death or serious illness in the immediate family, pregnancy, jury duty, National Guard or military reserve training and elective or appointive public office, and such leaves may be extended for like cause.

(b)--A leave of absence may be granted for a period not to exceed one hundred eighty (180) days if required for the purpose of traveling to a foreign country.

(c)--A leave of absence for a period not to exceed one (1) year without loss of seniority will be granted an employee with one (1) or more years of seniority in order to attend a recognized college,

university, or trade or technical school full time, provided the course of instruction is related to the employee's employment opportunities with the Corporation. Before receiving the leave, or an extension thereof, the employee shall submit to the Corporation satisfactory evidence that the college, university or school has accepted him as a student, and on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leaves may be extended for additional periods not to exceed one (1) year each, provided the employee has not previously returned to work from any such leave by displacing a seniority employee.

(d)--A leave of absence without loss of seniority for the period of the employee's training will be granted an employee who accepts an invitation by the Peace Corps to enter training for service with the Peace Corps. Upon completion of the training period, the leave of absence will be extended without interruption and without loss of seniority for a period of not less than one (1) year nor more than three (3) years for service with the Peace Corps upon proper written notification to the Corporation by the employee. Before receiving the leave for training, or an extension for Peace Corps service, the employee shall submit to the Employment Office at the employee's plant satisfactory written evidence that the Peace Corps has invited the employee to enter training or service.

(e)--A leave of absence without loss of seniority for a period not to exceed one (1) year will be granted an employee who is elected or appointed to a full time position with the credit union chartered by a state or the federal government to service primarily DaimlerChrysler employees. Such a leave

may be extended for additional periods not to exceed one (1) year each.

(f)--It is understood that leaves of absence granted under this Section (66) shall be granted only where the requirements of the plant permit and replacement employees are available.

(g)--When death occurs in an employee's immediate family, i.e., spouse, parent, stepparent, grandparent or great grandparent, parent, stepparent, grandparent or great grandparent of a current spouse, child or stepchild, grandchild, brother, sister, stepbrother, stepsister, half-brother or half-sister, an employee, on request, will be excused, and after making written application therefor, receive payment for up to three (3) normally scheduled eight (8) hour days of work, or up to five (5) normally scheduled eight (8) hour days of work in the case of the death of an employee's current spouse, parent, child or stepchild, (excluding Saturdays, Sundays and holidays), during the period commencing with the date of death and ending with the second calendar day after the day of the funeral provided the employee attends the funeral.

(h)--The employee shall receive Bereavement Pay for the first three (3) full working days or first five (5) full working days in the case of the death of an employee's current spouse, parent, child or stepchild, on which the employee is absent during the period established in Subsection (g).

(i)--An employee who returns to work on or after the date of the funeral will not be eligible for Bereavement Pay for any subsequent absence in connection with that bereavement.

(j)--Payment shall be made at the employee's straight-time salary rate including applicable shift premium, but exclusive of overtime and any other premiums not specifically included for any scheduled days of work for which the employee is excused (excluding Saturdays and Sundays) provided he attends the funeral. Time thus paid will not be counted as casual absence or as time worked.

(k)--An employee who is called to and reports for jury duty (including coroner's juries) shall be paid for each day the employee reports for jury duty an amount equal to one-fifth (1/5th) of the employee's base weekly salary, including applicable shift premium, but exclusive of overtime and any other premiums, not specifically included on the last day worked, less the jury duty fee paid the employee by the court in which the employee serves (not including travel allowances or reimbursement of expenses), provided that payment shall be made only for those days of the workweek the employee otherwise would have been scheduled to work for the Corporation.

In order to receive payment under this Section, an employee must give the Corporation prior notice that the employee has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which the employee claims such payment. An employee who is called to and reports for an interview or an examination to qualify the employee for selection to a jury shall be considered to have performed jury duty and shall qualify for jury duty pay if otherwise eligible as provided herein.



This Section (66)(k) is not applicable to an employee who, without being summoned, volunteers for jury duty.

## **(67) Leave for Union Business**

(a)--An employee who is (i) appointed, selected or elected to work for a Local Union, or (ii) appointed or elected to a position on the Staff of the International Union, or (iii) appointed, selected, or elected by the Union to the Staff of the National AFL-CIO (including the Industrial Union Department but excluding the individual International Unions except the UAW), or to the staff of a State, County, City or Regional AFL-CIO Council, shall at the written request of the Union receive temporary leaves of absence for periods not to exceed three (3) years or the term of office, whichever is shorter.

(b)--An employee appointed to a position identified as one of a labor member of a government agency shall at the written request of the Union receive a leave of absence for a period of not more than three (3) years.

(c)--A leave of absence may be granted an employee for other Union activities upon the written request of the International Union to the Director of Union Relations of the Corporation.

(d)--Upon return from any such leave of absence, the employee shall be reemployed at work generally similar to that which he did last prior to the leave of absence and with seniority accumulated throughout his leave of absence.

(e)--When the local Management believes that the actions of the Local Union are inappropriate and

represent abuses of this Section, Management's objections shall be presented in writing to the Local Union President. In the event the matter is not resolved, it may be referred to the Corporate Union Relations Staff for review with the International Union. The International Union does not condone abuses and shall take the actions necessary with its Local Union to stop these abuses.

## **WORKING HOURS**

### **(68) Shift Premium and Hours**

(a)--Employees employed on the second or third shift shall receive in addition to their regular pay for the pay period five (5) percent and ten (10) percent, respectively, additional compensation.

(b)--The first shift is any shift that is scheduled to start on or after 4:00 a.m. but before 11:00 a.m. The second shift is any shift that is scheduled to start on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that is scheduled to start on or after 7:00 p.m. but before 4:00 a.m.

(c)--Call-Back Pay. If an employee is called back to work after he has completed his regular shift and has left the plant, he shall be offered at least four (4) hours work.

### **(69) Time and One-Half**

Time and one-half will be paid as follows:

(a)--For time worked in excess of eight (8) hours in any continuous twenty-four (24) hour

period, beginning with the starting time of the employee's shift.

(b)--For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half.

## **(70) Double Time**

Double time will be paid as follows:

(a)--For time worked on the calendar Sunday.

(b)--For time worked on the calendar holidays designated in Section (71).

## **(71) Holiday Provisions**

(a)--The holidays are designated as:

November 14, 2003	Veterans Day,
November 27, 2003	Thanksgiving Day,
November 28, 2003	Day After Thanksgiving,
December 24, 2003	Christmas
December 25, 2003	
December 26, 2003	Holiday
December 29, 2003	
December 30, 2003	
December 31, 2003	
January 1, 2004	
January 2, 2004	Period,
January 19, 2004	Martin Luther King, Jr. Day,
April 9, 2004	Good Friday,
April 12, 2004	Day After Easter,
May 31, 2004	Memorial Day,
July 5, 2004	Independence Day,

September 6, 2004	Labor Day,
November 2, 2004	Federal Election Day,
November 12, 2004	Veterans Day,
November 25, 2004	Thanksgiving Day,
November 26, 2004	Day After Thanksgiving,
December 24, 2004	Christmas
December 27, 2004	
December 28, 2004	
December 29, 2004	Holiday
December 30, 2004	
December 31, 2004	Period,
January 17, 2005	Martin Luther King, Jr. Day,
March 25, 2005	Good Friday,
March 28, 2005	Day After Easter,
May 30, 2005	Memorial Day,
July 4, 2005	Independence Day,
September 2, 2005	Floater Day,
September 5, 2005	Labor Day,
November 8, 2005	Election Day,
November 14, 2005	Veterans Day,
November 24, 2005	Thanksgiving Day,
November 25, 2005	Day After Thanksgiving,
December 26, 2005	Christmas
December 27, 2005	
December 28, 2005	
December 29, 2005	Holiday
December 30, 2005	
January 2, 2006	Period,
January 16, 2006	Martin Luther King, Jr. Day,
April 14, 2006	Good Friday,
April 17, 2006	Day After Easter,
May 29, 2006	Memorial Day,
July 3, 2006	Day Before Independence Day,
July 4, 2006	Independence Day,
September 4, 2006	Labor Day
November 7, 2006	Federal Election Day,

November 13, 2006	Veterans Day,
November 23, 2006	Thanksgiving Day,
November 24, 2006	Day After Thanksgiving,
December 25, 2006	Christmas
December 26, 2006	
December 27, 2006	
December 28, 2006	Holiday
December 29, 2006	
January 1, 2007	Period,
January 15, 2007	Martin Luther King, Jr. Day,
April 6, 2007	Good Friday,
April 9, 2007	Day After Easter,
May 28, 2007	Memorial Day,
July 4, 2007	Independence Day,
September 3, 2007	Labor Day

(b)--Whenever Independence Day occurs on a Tuesday or a Thursday, the Monday before or the Friday after will be designated as a holiday.

(c)—In addition, there shall be one (1) Floater Day holiday during the term of the Agreement as identified above. Eligible employees who have attained seniority prior to that designated holiday shall be paid eight (8) hours' pay for such holiday, as specified in Section (71) of the Agreement.

(d)--In the event that a state or subdivision thereof either by law or declaration having the force of law requires a plant closing in observance of a holiday: (i) which is not a designated holiday in this Section, such state or local holiday shall be observed by the affected plant in lieu of whichever one of the holidays designated herein Plant Management shall select; or (ii) on a date other than the date specified herein for such holiday, the holiday shall be observed by the affected plant on

the date the plant is required to close in lieu of the date specified herein.

(e)--Employees who work on a holiday which is celebrated other than on Saturday or Sunday will also receive their regular salary for such holiday.

(f)--Employees on the active roll on the holiday who received regular salary for the day preceding or for the day following the holiday or received regular salary for the day preceding or the day following the day the Corporation designates in lieu of such holiday or return to work from layoff or an approved leave of absence on the Tuesday immediately following a Monday holiday, will receive their regular salary for such day if they otherwise were available and scheduled to work on such observed or designated day.

(g)--Employees will be called in to work only in emergencies on the following days which are not paid holidays under this Agreement:

Saturday, December 27, 2003  
Sunday, December 28, 2003  
Saturday, January 3, 2004  
Sunday, January 4, 2004  
Saturday, December 25, 2004  
Sunday, December 26, 2004  
Saturday, January 1, 2005  
Sunday, January 2, 2005  
Saturday, December 24, 2005  
Sunday, December 25, 2005  
Saturday, December 31, 2005  
Sunday, January 1, 2006

Saturday, December 23, 2006  
Sunday, December 24, 2006  
Saturday, December 30, 2006  
Sunday, December 31, 2006

Employees shall not be disqualified for holiday pay, if otherwise eligible for such pay, if they decline a work assignment on one or more of the above days.

The foregoing provisions shall not apply to employees assigned to (1) third shift Sunday night start operations; and (2) a shift which starts on Friday and continues into Saturday.

(h)--In applying the provisions of this Section, when a holiday occurs on a Saturday or Sunday, and the Corporation does not designate a day in lieu of such holiday, employees shall be granted a compensatory day off without loss of pay at such times during the following twelve (12) months considering the wishes of both Management, the employee, and the efficient operation of the department concerned. The compensatory day to be granted such employee shall be designated within sixty (60) days of the holiday.

In those situations involving the separation of employees, the following shall apply: (i) where there is sufficient advance notice of separation for reasons of layoff, retirement, military service, approved leave of absence or resignation, and the employees have not taken the compensatory day(s) for which they are then eligible, they will be granted such day(s) on or before their last day worked; (ii) where employees are separated due to the expiration of salary continuation, death or discharge, they will be paid any unused compensatory day(s) for which they are then

eligible by extending the pay-through date by the number of such days.

## **(72) Failure to Report for Holiday Work**

An employee who may be requested to work on a holiday and who accepts such holiday work assignment and then fails to report for and perform such work, without reasonable cause, shall not receive his regular pay for such holiday.

## **(73) Effect of Unemployment Compensation**

It is the purpose of Sections (71) and (72) to enable eligible employees to enjoy the specified holidays with full straight-time pay. If, with respect to a week included in the Christmas Holiday Period, an employee supplements his Holiday Pay by claiming and receiving an unemployment compensation benefit, or its equivalent under any present or future federal or state legislation, or claims and receives waiting period credit, to which he would not have been entitled if his Holiday Pay had been treated as remuneration for the week, the employee shall be obligated to reimburse the Corporation the lesser of the following amounts:

(a)--an amount equal to his Holiday Pay for the week in question, or,

(b)--an amount equal to either the unemployment compensation or its equivalent under any present or future federal or state legislation paid to him for such week or the unemployment compensation or its equivalent under any present or future federal or state legislation that would have been paid to him for such week if it had not been a waiting period.



The Corporation will deduct from earnings subsequently due and payable the amount that the employee is obligated to reimburse the Corporation hereinbefore provided.

## **(74) Overtime Pyramiding Prohibited**

The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments.

# **VACATION**

## **(75) Eligibility**

(a)--An employee will earn credit toward vacation with pay in accordance with the following schedule:

**Continuous Service on  
December 31 of the  
year during which the  
vacation credit is earned**

### **Vacation**

Up to 3 years..... 1 working day of vacation  
for each month of credit up  
to a maximum of 10 working  
days of vacation.

3 years but less  
than 5 year ..... 1 1/4 working days of  
vacation for each month of  
credit up to a maximum of  
12 1/2 working days of  
vacation.

5 years but less  
than 10 years.....1 1/2 working days of  
vacation for each month of  
credit up to a maximum of  
15 working days of vacation.

10 years but less  
than 15 years.....1 3/4 working days of  
vacation for each month of  
credit up to a maximum of  
17 1/2 working days of  
vacation.

15 years but less  
than 20 years.....2 working days of vacation  
for each month of credit up  
to a maximum of 20 working  
days of vacation.

20 or more years .....2 1/2 working days of  
vacation for each month of  
credit up to a maximum of  
25 working days of vacation.

(b)--Credit will be earned only for those months in which an employee works at least five (5) work days. If an employee who works five (5) work days in each of less than ten (10) months is entitled to a fraction of a day of vacation, he may take one half day of vacation if the fraction is one quarter (1/4) day or one half (1/2) day; or he may take a full day of vacation if the fraction is three quarters of a day. Time spent on a scheduled vacation or on jury duty as prescribed in Section (66) (k) while on the active roll or on short-term military duty will be considered as time worked for the purpose of computing

vacation credits. Time spent on a disability absence for which an employee receives Salary Continuation or disability absence due to a compensable injury or legal occupational disease will be considered time worked for the purpose of computing vacation credits, provided the employee works during the calendar year in which such credit is earned.

(c)--(i) If, as of December 31 of the year during which the vacation credit is earned, an employee who was hired during such year had (a) at least three (3) months continuous service and (b) worked at least three (3) months but earned less than five (5) working days of vacation, he shall be eligible in the year in which vacation is taken for the number of non-accrued vacation days sufficient to bring his total vacation days both earned and non-accrued to five (5) working days.

(ii) If a laid off seniority employee is reinstated during the year in which the vacation credit is earned and works at least three (3) months (whether continuous or not) but earns less than five (5) working days vacation as of December 31, such employee shall be eligible in the year that vacation is taken for that number of non-accrued vacation days sufficient to bring the total number of his vacation days to five (5) working days less the number of vacation days that were accrued during the year and for which he was paid at time of layoff.

(d)--Non-accrued vacation days granted employees pursuant to Subsection (c) shall be used only after all earned vacation for the year has been used. Unused, non-accrued vacation days shall be forfeited if not taken in the vacation year at time of separation irrespective of the reasons for the

separation. No employee shall be entitled to non-accrued vacation days prior to completing six (6) months of continuous service.

## **(76) Vacation Period**

(a)--Vacations will be granted at such times during the year as are suitable, considering both the wishes of employees and efficient operation of the department concerned. Prior to March 1 of each year, employees of each plant or office may request the period during which they wish to take a vacation. If the number of employees who select a particular vacation period exceeds the number who can be released without affecting the efficient operation of the department concerned, the employees whose vacation requests are granted will be selected according to seniority or by any other method mutually agreed upon by the parties. Upon request, the Unit Chairman may review the vacation schedules with the designated representative of Management. Temporary employees may be utilized by Management as vacation replacements.

(b)--Vacations will be taken in a period of consecutive days. Vacations may be split into one or more weeks, providing such scheduling will not interfere with operations.

(c)--When a holiday is observed by the Corporation on a day during the Monday through Friday workweek, or a day is designated during the Monday through Friday workweek by the Corporation in lieu of holiday and such day occurs during a scheduled vacation, the vacation will be advanced or extended one day continuous with the vacation.

(d)--A vacation may not be postponed from one year to another and made cumulative, but will be forfeited unless completed during each calendar year. An employee who is on a Disability Absence for a complete calendar year, and who returns to work in the year following a year of Disability Absence, shall be entitled, in accordance with Subsection (78) (d), to the number of days of vacation he earned in the year immediately prior to his year of disability, provided he has not used or received pay for such vacation days.

(e)--A vacation may not be waived by an employee and extra pay received for work during that period.

(f)--No allowance will be made for sickness or other incapacity occurring during vacation except that an employee prior to the first day of his scheduled vacation who is on a Disability Absence, as defined in Section (82), or who, during his vacation, is hospitalized for one or more full weeks, may, upon his return to work and upon presentation of due proof of hospitalization or Disability Absence as required under Section (86), reschedule during the current calendar year the number of days of vacation on which he was on a Disability Absence or was hospitalized; provided, further, the rescheduling of such days of vacation does not require the rescheduling of any other employee's vacation and does not adversely affect the efficient operations of the department concerned.

## **(77) Pay Advance**

If a regular pay day falls during the employee's scheduled vacation, he will receive that check in advance before leaving on his vacation. Should an

employee change his vacation, he must make a request for his check a month before leaving, if he desires to receive it in advance. Notwithstanding the above, employees who have selected electronic funds transfer shall not be eligible to receive a pay advance.

## **(78) Transfer and Termination**

(a)--An hourly employee transferred to salary will be eligible in accordance with these Sections (75) through (79) for a salaried vacation based on his Corporation service if he has not received a payment in lieu of vacation during the current year.

(b)--If a salaried employee is laid off, is granted a leave of absence for military service, retires, or dies, he, or his estate in the case of his death, will receive a payment in lieu of vacation for any unused vacation credit, including that accrued in the current calendar year, provided however, that a salaried employee who is laid off temporarily pursuant to Section (50) or (52)(b) will not automatically receive such payment at the time of layoff or temporary separation. In the event the layoff becomes indefinite, the employee will receive such payment. A recalled employee who received payment will have such payment deducted from his salaried vacation or hourly payment in lieu of vacation for the following year.

(c)--If a salaried employee is otherwise separated from employment, or is transferred to an hourly- rated job, he will receive any unused vacation credit only as of the preceding January 1 and will not be eligible for an hourly payment in lieu of vacation in the current calendar year.

(d)--An employee returning from a leave of absence, who has not worked in the current calendar year, shall not be eligible for vacation accrued in the previous calendar year until he has returned to work for thirty (30) calendar days following expiration of the leave of absence or is subsequently laid off, whichever occurs sooner. If there are less than sixty (60) calendar days before the expiration of the current calendar year, the employee shall be eligible for vacation accrued in the previous calendar year upon working one-half (1/2) of the working days which remain in the year.

## **(79) Rate During Vacation**

Employees shall receive their regular salary plus cost-of-living allowance in effect when the vacation is taken inclusive of shift premium, but exclusive of overtime and any other premiums. They shall receive any improvement factor increase on a pro-rata basis if it should go into effect while they are on vacation. Employees paid accumulated vacation credits upon separation shall receive their regular base salary including any cost-of-living allowance, but excluding any other premiums or adjustments, occurring subsequent to the last day worked.

# **SALARY CONTINUATION PLAN**

## **(80) Purpose**

This Salary Continuation Plan, Sections (80) through (87), provides for salary payments for absence due to personal injury or sickness. It is not the purpose to establish or sanction an annual

period of absence to which an employee is entitled.

### **(81) Employees Covered**

Employee means a salaried employee in a bargaining unit covered by the collective bargaining agreement of which this Plan is a part, provided, however, that an employee who is hired on or after December 13, 1982, shall not be covered under this Plan until the first day of the sixth month following the month in which employment commences.

### **(82) Disability Absence**

Necessary absence from work due to personal injury or sickness for at least the number of days required for Disability Benefits to become payable is referred to in this Plan as Disability Absence. The injury or sickness may be either occupational or non-occupational.

This Plan does not cover absences due to personal injury or sickness for fewer days than are required for Disability Benefits to become payable. The Corporation at its discretion will make salary payments for these latter absences outside this Plan in conformance with the Letter of Understanding concerning casual absences which is attached to this Agreement.

### **(83) Disability Benefits**

Disability Benefits means the benefits payable to the employee (to compensate for loss of working time) due to injury, sickness or other disability (whether occupational or non-occupational) under any group sickness and accident insurance policy



held by the Corporation and/or under the laws of any jurisdiction providing for such benefits, by whatever name called, including any benefits (in excess of those actually payable) that would have been payable to him under any such policy or under such laws if he had duly complied with all the provisions thereof and, in the case of a group policy had been duly enrolled under such policy to the fullest extent for which he was eligible.

## **(84) Salary Continuation Payments**

In case of a Disability Absence an employee will be paid for not longer than his Maximum Period salary payments which, together with Disability Benefits, will equal the full salary that he would have received if the Disability Absence had not occurred. Determination of the amount of these salary payments will be made upon a pay period basis.

## **(85) Maximum Period**

The Maximum Period for each Disability Absence shall be determined at the beginning of such Disability Absence. The Maximum Period for any one Disability Absence is the number of days, based on the employee's continuous service, determined from the table below, reduced by the number of days for which he was paid for Disability Absences previously in the same calendar year. In no case may an employee receive payments in one calendar year for more than the number of days shown in the table as his Maximum Period. In addition, whenever an employee receives payments for his Maximum Period, he must work for at least thirty (30) days following his return before he will be eligible to receive any payments to which he may otherwise become entitled under this

Plan. In addition, whenever the Disability Absence of an employee continues from one calendar year into another, he must work for at least thirty (30) days following his return before becoming eligible for a new maximum period, provided, however, an employee shall be eligible for a new Maximum Period, if he has not exhausted the Maximum Period to which he was eligible in the prior year and he is again disabled as a result of an unrelated disability or of a complication of his prior disability as distinguished from a continuation of his prior disability and he is otherwise eligible for Disability Benefits before he has worked the required thirty (30) days.

### **TABLE OF MAXIMUM PERIODS**

<b>Continuous Service at Beginning of <u>Disability Absence</u></b>	<b><u>Maximum Periods</u></b>
Less than 90 days for employees hired prior to December 13, 1982, or less than 5 full calendar months (excluding the month of hire) for employees hired after December 13, 1982 .....	Not Covered by Plan
90 days but less than 1 year for employees hired prior to December 13, 1982, or 5 full calendar months (excluding the month of hire) but less than 1 year for employees hired after December 13, 1982 .....	10 working days
1 year but less than 2 years .....	20 working days
2 years but less than 5 years .....	40 working days
5 years but less than 10 years .....	60 working days
10 years but less than 20 years .....	70 working days
20 years or more .....	80 working days

### **(86) Proof of Disability**

The Corporation reserves the right to require due proof of personal injury or sickness and all payments under this Plan are contingent on the furnishing of such proof when required.

## **(87) Modification or Rescission**

This Plan shall remain in effect during the term of the collective bargaining agreement of which it is a part, except that the Corporation reserves the right to modify or rescind this Plan whenever any federal, state, or other law affecting employees of the Corporation and relating to benefits for injury or sickness is changed, if any such change would increase the obligation of the Corporation under this Plan.

## **UNION BULLETIN BOARDS**

### **(88) Placing of Bulletin Boards**

The Corporation will provide bulletin boards in the office which may be used by the Union for posting notices of the following types:

1. Notices of recreational and social events.
2. Notices of elections.
3. Notices of results of elections.
4. Notices of meetings.

### **(89) Limit on Use of Bulletin Boards**

The bulletin boards shall not be used by the Union for disseminating propaganda of any kind whatsoever; and among other things shall not be used by the Union for posting or distributing pamphlets or political matter of any kind whatsoever, or for advertising.

# **INSURANCE, S.U.B.P., RELOCATION ALLOWANCE AND PROFIT SHARING PLAN**

**(90)** The following agreements are incorporated and made a part of this Agreement:

- Exhibit B. The Life, Disability and Health Care Benefits Program.
- Exhibit C. Agreement regarding Supplemental Unemployment Benefit Plan.
- Exhibit D. Supplemental Unemployment Benefit Plan.
- Exhibit E. Relocation Allowance Plan.
- Exhibit F. Profit Sharing Plan.

(See separate booklets)

## **CHANGE OF ADDRESS**

### **(91) Notification Change of Address**

Employees shall notify the Management of any change of address.

Within thirty (30) days after the ratification of this Agreement and every six months thereafter during the term of this Agreement, the Corporation shall give to the International Union the names of all employees covered by this Agreement together with their addresses as they then appear on the

records of the Corporation. The International Union shall receive and retain such information in confidence and shall disclose it only to those officials of the Union whose duties require them to have such information.

## **WAGES**

### **(92) Cost-of-Living Allowance**

All employees covered by this Agreement shall be subject to the following cost-of-living allowance formula determining the cost-of-living allowance as set forth below:

(a)--The cost-of-living allowance will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (Current Series, CPI-W) (United States City Average, All Items Less Medical Care, not seasonally adjusted) published by the Bureau of Labor Statistics (1982-84=100), and will be calculated in accordance with the Letter of Understanding signed by the parties.

(b)--Effective as of the beginning of the first pay period following receipt by the Corporation from the Union of notice of ratification and thereafter during the period of this Agreement, each employee covered by this Agreement shall receive a cost-of-living allowance as set forth in this Section.

(c)--(i) The amount of the cost-of-living allowance effective the beginning of the first pay period following receipt by the Corporation from the International Union of Notice of Ratification of this

Agreement and ending November 30, 2003 shall be two dollars (\$2.00) per week.

(ii) Effective December 1, 2003 and thereafter during the period of this Agreement, adjustments in the cost-of-living allowance will be made quarterly as follows:

<b>Effective Date of Adjustment:</b>	<b>Based on Three-Month Average Consumer Price Index for:</b>
Dec. 1, 2003	Aug., Sept., Oct., 2003
Mar. 1, 2004	Nov., Dec., 2003, Jan., 2004
June 7, 2004	Feb., Mar., Apr., 2004
Sept. 6, 2004	May, June, July, 2004
Dec. 6, 2004	Aug., Sept., Oct., 2004
Mar. 7, 2005	Nov., Dec., 2004, Jan., 2005
June 6, 2005	Feb., Mar., Apr., 2005
Sept. 5, 2005	May, June, July, 2005
Dec. 5, 2005	Aug., Sept., Oct., 2005
Mar. 6, 2006	Nov., Dec., 2005, Jan., 2006
June 5, 2006	Feb., Mar., Apr., 2006
Sept. 4, 2006	May, June, July, 2006
Dec. 4, 2006	Aug., Sept., Oct., 2006
Mar. 5, 2007	Nov., Dec., 2006, Jan., 2007
June 4, 2007	Feb., Mar., Apr., 2007

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.01 Index Point.

(iii) In the case where a quarterly cost-of-living allowance adjustment becomes effective at the beginning of the second week of a bi-weekly pay period, the amount of the cost-of-living allowance applicable to such second week shall be the amount determined by such adjustment.

In the case of an employee who does not work on every scheduled working day during a pay period, the cost-of-living allowance shall be payable on a pro-rata basis for each day or that portion of a day for which he is paid at full straight time weekly salary during such pay period.

The cost-of-living allowance payable under the provisions of this Section shall be included in an employee's regular paycheck.

(d)--Commencing December 1, 2003 the amount of the cost-of-living allowance that shall be effective for any quarterly period shall be determined in accordance with the following table:

<u>Three-Month Average Consumer Price Index CPI-W (1982-84 = 100)</u>	<u>Weekly Cost-of-Living Allowance</u>
<u>174.12 or Less</u>	None
<u>174.13--174.20</u>	\$.40
<u>174.21--174.28</u>	\$.80
<u>174.29--174.36</u>	\$1.20
<u>174.37--174.44</u>	\$1.60
<u>174.45--174.53</u>	\$2.00
<u>174.54--174.61</u>	\$2.40
<u>174.62--174.69</u>	\$2.80
<u>174.70--174.77</u>	\$3.20
<u>174.78--174.85</u>	\$3.60

And so forth with \$.40 adjustment for each 0.08159 point change in the Average Index as calculated in accordance with the Letter of Understanding signed by the parties.

(e)--For each adjustment during the fifteen (15) three-month periods beginning with the adjustment on December 1, 2003 and ending with the adjustment on June 4, 2007 in which an increase in the cost-of-living allowance shall be required according to the above table, the amount of increase so required each three-month period shall be reduced by eighty cents (\$.80) or by the amount of the increase, whichever is less. However, there shall be no reduction as provided herein in any three-month period in which the cost-of-living allowance required by the table is equal to or less than the amount of the cost-of-living allowance

provided by the table in the preceding three-month period.

Following the adjustment for the three-month period beginning June 4, 2007, the sum reduced during the fifteen periods shall be subtracted from the cost-of-living allowance table and the table shall be adjusted so that the actual Three Month Average Consumer Price Index equates to the allowance payable during the period beginning June 4, 2007.

(f)--The cost-of-living allowance will be adjusted up or down if and as required for each quarterly period in accordance with the provisions as set forth above; provided, however, that in no event will a decline in the Consumer Price Index below 174.12 provide the basis for a reduction in the salary scale by job classification covered by this Agreement.

(g)--The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime premium and shift premium, but not for any other purpose.

(h)--In the event that the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Subsection (c), any adjustment in the allowance required by such appropriate Index shall be effective on the first Monday after receipt of the Index.

(i)--No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the Consumer Price Index for any month on the basis of which the allowance has been determined.

(j)--The continuance of the cost-of-living allowance shall be contingent upon the availability of the monthly Consumer Price Index referred to in Subsection (a) published by the Bureau of Labor Statistics, and calculated on the same basis as the index for July, 2003 unless otherwise agreed upon by the parties.



## **(93) General Increases**

(a)--Effective September 22, 2003, each employee covered by the National Office, Clerical and Engineering Agreements shall receive a general increase in base weekly salary equal to 0.80% of base weekly salary.

(b)--Effective September 19, 2005, each employee covered by the National Office, Clerical and Engineering Agreements shall receive a general increase in base weekly salary equal to the greater of \$20.00 per week or 2.00% of base weekly salary.

(c)--Effective September 18, 2006, each employee covered by the National Office, Clerical and Engineering Agreements shall receive a general increase in base weekly salary equal to the greater of \$30.40 or 3.00% of base weekly salary.

## **(94) Rate Book**

The Corporation will furnish to the Union a copy of the rate classification book of the Corporation with the understanding that such book is to be treated in confidence and kept at the office of the International Union, and the Local Union.

## **(95) Rates for New Jobs**

(a)--When a new job is placed in the Unit and cannot be properly placed in an existing classification, the Corporation will set up a new classification and rate for that job. A written notice of the classification, rate and effective date of the classification and rate will be given to the International Union.

(b)--If the International Union disagrees with the new classification or the rate, the International Union may notify the Corporation, and the International Union and the Corporation shall thereafter negotiate the protested classification or rate. If a rate is negotiated that is higher than the rate established by the Corporation, the negotiated rate shall be applied retroactively not more than 30 days from the date of settlement.

(c)--If the International Union does not notify the Corporation, as provided in Subsection (b), the classification and rate shall be deemed to be satisfactory to the International Union and there shall be no appeal thereafter.

## **(96) Merit Increases and Performance Reviews**

(a)--Merit Increases and Lump Sum Merit Awards. The Corporation will furnish to the Union the names of all employees for whom merit increases and/or Lump Sum Merit Awards have been made effective. Beginning with the month following the month in which the Agreement becomes effective and during each month thereafter, said names will be furnished to the Union on the Monday (or the next succeeding working day) preceding the Friday on which the merit increase and/or Merit Award is first reflected in the employee's check. With such names the Corporation will furnish the employee's new salary rates and/or Merit Award amount. For the purpose of this Section, an increase becomes effective on the first day an employee works at the increased rate.

The Union may present, in accordance with the Grievance Procedure, any objection to any increase and/or Award the Corporation may grant, as aforesaid (unless the Union shall have proposed such increase and/or Award).

Pursuant to the Grievance Procedure, the Corporation will bargain with the Union concerning any merit increases and/or Award that the Union may in good faith propose for individual employees, and will promptly notify the Union of its decision in accordance with such Grievance Procedure.

When the Corporation denies grievances requesting merit increases and/or Awards, it will set forth in detail, clear and accurate reasons for doing so and if it relies on formal rating sheets in denying a merit increase and/or Award to any employee, it will disclose to the Union such employee's rating sheets.

Merit increases shall be not less than three percent (3.0%) of the employee's base salary but in no case shall the employee's salary be increased above the maximum of the salary grade for the employee's classification.

Employees at the maximum salary rate of their respective grade shall be eligible for consideration for a Lump Sum Merit Award. Lump Sum Merit Awards shall be in the amount of three percent (3.0%) of the employee's base annual salary.

Additionally, employees currently in the merit range who are within three percent (3.0%) of the maximum salary rate will be eligible for a combination merit increase and Lump Sum Merit Award totaling three percent (3.0%).

(b)--Performance Reviews. Management will review the performance of every employee at intervals of not more than once each year. Reviews will be conducted on a calendar year basis and will be completed by the end of the first quarter following the close of the preceding calendar year. Where an employee is laid off, on leave of absence, or absent because of an extended illness, such periods will not be included in the one-year review period. Management will inform the employee of the results of this review and if scheduled for a merit increase and/or Lump Sum Merit Award the employee will be advised of the calendar quarter in which the increase and/or Award is to be granted and such increase and/or Award will be granted provided the employee (i) maintains an acceptable level of performance (ii) remains on the same classification, and (iii) is on the active roll on the effective date of the increase and/or Award. The employee will be required to sign a copy of the Performance Review form as acknowledgement that he has received a review. Upon request, the employee will be provided a copy of the Performance Review.

In the event an employee's performance, as shown by the review, is such that, if it continues at its present level, he would not be granted a merit increase and/or Award, Management will discuss the results of the review with the employee. The employee may request the Steward be present during this discussion. Should the employee and the Union disagree with the review, the Union may file a grievance at the second step of the Grievance Procedure.

## **CONCLUSION**

### **(97) Withdrawal of Demands and Separability of Provisions**

#### **(a)--Withdrawal of Demands**

This Agreement replaces all previous agreements between the parties.

Prior to, and during the negotiation of this Agreement, each party made certain proposals to the other. Each party hereto agrees that it has withdrawn all proposals made to the other that are not incorporated in or covered by this Agreement, in whole or in part. The withdrawal of those proposals, in whole or in part, is as much a consideration for this Agreement as is the incorporation therein of matters agreed on. Each party hereto hereby waives any right to require the other to bargain on the subject matter of those proposals, or on any similar proposals or on any other matter that might have been included in or covered by this Agreement, but was not. It is the intention of the parties that this Agreement during its term shall cover all arrangements between the parties concerning wages, hours, and conditions of employment that are to be in effect during the term and that nothing shall be added to the Agreement or subtracted from it by amendment, supplemental agreement or otherwise.

#### **(b)--Separability of Provisions**

(i) In the event that any of the provisions of this Agreement are or become invalid or unenforceable, the remaining, unaffected provisions shall remain in full force and effect.

(ii) Should the parties hereafter agree that applicable law makes, or probably makes, any of the provisions of this Agreement or of any of its supplements, memoranda of understanding or letters relating thereto invalid or unenforceable, the parties may agree on a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement, and remain in effect for the duration of the Agreement, without the need for further ratification by the Union membership.

### **(98) Ratification**

The Union agrees to submit the Agreement to the Union membership in the plants covered by the Agreement for ratification by them on or before September 29, 2003, and the International Union and its Local Unions in these plants will recommend to the membership that it be ratified.

### **(99) Termination and Modification**

This Agreement shall continue in full force and effect until 11:59 P.M., September 14, 2007.

(a)--If either party desires to modify, amend or terminate this Agreement, it shall, sixty (60) days prior to September 14, 2007, give written notice of its intention as provided in Section (100). Notice to modify or amend shall set forth the nature of the changes desired. Any amendments that may be agreed upon shall become and be a part of this Agreement without modifying or changing any of the other terms of this Agreement. The giving by either party of such a notice to modify, amend or terminate shall terminate this Agreement at 11:59 P.M., September 14, 2007.

(b)--If neither party gives a notice to modify, amend or terminate as provided in Subsection (a), or if each party giving a notice to modify, amend or terminate withdraws such notice prior to 11:59 P.M., September 14, 2007, this Agreement shall continue in effect from year to year thereafter subject to sixty (60) days' written notice by either party to modify, amend or terminate this Agreement as provided herein prior to September 14 of any subsequent year.

### **(100) Notice**

Notice shall be in writing and shall be sufficient if sent by mail addressed, if to the Union, to International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, 8000 E. Jefferson Avenue, Detroit, Michigan, 48214, or to such other address as International Union, United Automobile, Aerospace and Agricultural Implement Workers of America shall furnish to the Corporation in writing, and if to the Corporation, addressed to DaimlerChrysler Corporation, 1000 DaimlerChrysler Drive, Auburn Hills, Michigan 48326-2766, attention, Secretary, or to such other address as DaimlerChrysler Corporation shall furnish to the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, in writing.

INTERNATIONAL UNION  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL  
IMPLEMENT WORKERS  
OF AMERICA (UAW)

Ron Gatzelinger  
Bill Stevenson  
Nate Gooden  
David McAllister  
James Davis  
General Holtsfield  
Miriam Poe  
Deacons Glenn  
Stephen L. Jones  
Leon Klee  
Gil Wojcik  
Florence Chambers  
Paul Cutsey  
Carl Dickerson  
Sean O'Connor  
Arpatsy Oldham  
Mike Riggs  
Charlotte Rossi  
John Rudzinski  
Derrick Thiery  
Herman Williams  
Mike Allen  
Tim Bressler  
Susan Crabtree  
Tom Favazza  
Sherry Franklin  
Paul Greshouse  
Don Harris  
James Hardy  
Phyllis Johnson  
Videll King  
Mike Kirksey  
Rich Martin  
John Miller  
Dominic Muraica  
Maurice Mitchell  
Rodney Monk  
Kash Nickens  
Vinnie Pagano  
Todd Penn  
Jerry Quinn  
Harry Reilly  
John Stallings  
Jim Wideman  
Larry Williams  
Chuck Austin  
Leonard Barber  
P.J. Carr  
Robert Collins II  
Troy Davis  
Walter Johnson  
Jim Karwin  
Lew Moya  
Larry B. Williams  
Tom Wright

DAIMLERCHRYSLER  
CORPORATION

Dieter Zatsche  
Wolfgang Bernhart  
John S. Francis  
Nancy A. Ree  
Kenneth J. McCarter  
Thomas J. Hadrych  
Michael J. Kuhn  
Frank L. Slaughter  
James E. Thomas  
Nelson Brooks  
Robert A. Miller  
Lisa A. Reinhardt-Kosel  
Michael Brown  
Al A. Isorbelle  
Mark J. Gendregski  
James J. Bartle  
Thomas A. Flanagan  
P.G. Shagens  
Valerie A. Michael  
Gary P. Tonila  
Richard F. Brown  
Richard K. Alvanson  
Teresa M. Bartlett  
Matthew C. Cady  
Elene Camminana  
Kevin P. Carroll  
Fred B. Casalevelere  
Craig T. Dukas  
James A. Fenton  
Shelley D. Fenton  
Brian N. French  
Tod D. Harge  
JoAnn Hatfield  
Lawrence T. Hendrick  
Lester T. Harris  
Richard J. Horvok  
Michael J. Hurston  
Gary N. James  
Michael R. Jessamy  
Dagmar Kimek  
Robert L. Lansen  
Kathryn L. Lee  
Colin A. Lightbody  
Jeff M. Lotay  
Cathy M. McQuarters  
Roger J. Panella  
Jennifer S. Ratcliff  
Douglas J. Root  
Diene C. Rzepicki  
Robert T. Sarzynski  
Helen M. Scott  
Morris Simms  
Michael S. Spoons  
John A. Stadtmiller  
Michael K. Stamper  
Dawn S. Testani  
Michelle M. Thomas  
William D. Watt  
Dorothy M. Williams



## **SALARY GRADES AND PROGRESSION APPLICATION SUPPLEMENT**

This Memorandum of Understanding supplements the current National Office and Clerical and National Engineering Agreements between DAIMLERCHRYSLER CORPORATION and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and certain of its Local Unions as follows:

### **(1) Salary Grade Systems**

Salary grades are numbered in a consecutive series for all classifications. Automatic Progression increases have been provided for all grades.

### **(2) Progression**

The progression range is that portion of the salary range from the minimum of the grade to the top progression rate for the grade. For the purpose of computing six (6) month progression increases, credit will be earned only for those months in which an employee works the majority of workdays in the month. Days worked will include regular vacations and all days actually worked in the Monday through Friday workweek. Overtime, days for which Salary Continuation payments are made, or other absence will not be considered as days worked. Progression time shall not be accrued for time worked at the top progression rate or in the merit range of a grade. An employee whose salary is within the progression range of the employee's grade will receive progression increases, not to

exceed the maximum of the employee's grade, of two percent (2.0%) of the employee's base salary. An employee whose salary is less than two percent (2.0%) below the top progression rate shall receive a two percent (2.0%) progression increase provided the new salary is within the merit range of the employee's grade and not in excess of the employee's grade maximum. If a progression increase places an employee's salary within one percent (1%) of the maximum of the employee's grade, the employee's salary shall be adjusted to the maximum.

### **(3) New Hires**

An employee will be hired at the minimum of his classification unless Management determines that an employee's qualifications and experience warrant a higher salary.

### **(4) Transfers--Intra-Plant**

An employee transferred within a plant or office in the same bargaining unit or under the provisions of the Group Layoff Procedure regarding the placement of certain laid off Engineering employees will be transferred in accordance with the following provisions:

**(a)--Within the same grade.** An employee transferred from one classification to another classification in the same grade will be transferred at the employee's current salary and all credited time accrued in that grade will be applied for progression within the progression range.

**(b)--To a higher grade.** (i)--An employee promoted from one grade to a higher grade will be paid not less than the minimum of the higher grade. If such increase is less than four percent (4%) for an employee promoted to grades 2 through 8, the

employee's salary will be increased to provide at least a four percent (4%) increase. If such increase is less than five percent (5%) for an employee promoted to grades 9 through 18, the employee's salary will be increased to provide at least a five percent (5%) increase. Notwithstanding any of the foregoing, in no case will the employee's salary be increased above the maximum for the grade to which the employee is promoted. The employee will begin a new progression period effective with the date of transfer.

The provisions of Section (4) (b) are applicable only to an employee's initial promotion to a higher grade. Accordingly, Section (4) (b) is not applicable to an employee who, as the consequence of a reduction in workforce, is transferred from one grade to a lower grade and who is subsequently transferred either to a higher grade lower than the highest grade previously held or to the highest grade previously held provided the time lapse between the transfer to a lower grade and the transfer to the higher grade does not exceed five (5) years. In such a case the employee's salary is to be determined with reference to the applicable Sections excluding Section (4) (b).

(ii)--A salary increase calculated as provided in Section (4)(b)(i) will also be applicable to an employee who is reclassified from a classification in one grade to a classification in grades 2 through 18 as the result of a determination that the work performed by the employee warrants the application of such higher classification.

If Management determines that an employee's qualifications and experience warrant a salary higher than the salary resulting from the application

of (4) (b) (i) above, they may at their discretion increase the employee to a higher salary in the new grade.

(iii)--Temporary transfer. When an employee is assigned for a temporary period to a job which is classified on a higher salary grade than the employee's regularly assigned job and such temporary assignment exceeds one (1) week, the following provisions shall be applicable:

(1)--Temporary job assignments are intended to cover such situations as coverage for fluctuations in work loads, replacements for employees who are absent from work because of vacations, short-term illness and other short-term leaves of absence.

(2)--An employee so transferred will be advised in advance of the temporary nature of such assignments and will be reclassified to the higher classification and grade, and the employee's salary rate shall be adjusted in accordance with Section (4)(b)(i) of the Salary Grades and Progression Application Supplement.

(3)--An employee who is transferred to a temporary position which is on a higher grade and who within one hundred twenty (120) days of such transfer is transferred again to the grade from which the employee was transferred shall, upon transfer to such lower grade, receive the same salary the employee received in the lower grade immediately prior to the employee's transfer. If an employee is eligible for additional progression increases, upon transfer to the lower grade, the time spent in the higher grade will be credited toward completion of the required credited time toward the next

progression increase in the lower grade.

(4)--An employee who is transferred to a temporary position and who exceeds one hundred twenty (120) days on such job and is then transferred to a lower grade shall have the employee's rate determined in accordance with Section (4)(c), To a Lower Grade, of the Salary Grades and Progression Application Supplement.

**(c)--To a lower grade.** An employee transferred from one grade to a lower grade will be transferred:

1. At the same salary if the employee's current salary falls within the progression or merit range of the lower grade and a new progression period begins effective with the date of transfer.

2. To the maximum salary of the lower grade if the employee's current salary exceeds the maximum.

3. An employee who is transferred to a higher grade and, at the employee's own request, is transferred again to the grade and classification from which the employee was promoted, shall receive the same salary earned in the lower grade immediately prior to promotion and the time and salary on the higher grade shall not be used for subsequent transfer and salary determination.

4. An employee who is transferred to a higher grade and classification and who, within six (6) months of such transfer, is transferred again to the grade and classification from which the employee was promoted due to the employee's inability to satisfactorily perform the work of the higher grade,

shall, upon transfer to such lower grade and classification, receive the same salary the employee earned in the lower grade immediately prior to his promotion and the time and salary on the higher grade shall not be used for subsequent transfer and salary. If the employee is eligible for additional progression increases, upon transfer to the lower grade, the time spent in the higher grade will be credited toward completion of the required credited time toward the next progression increase in the lower grade.

**(d)--To a higher grade previously held.** An employee transferred to a higher grade previously held by the employee shall be transferred either at the same salary earned when previously on the higher grade, or at the employee's present salary rate, whichever is higher, and shall receive credit for time accrued toward the next progression increase that the employee earned when previously employed on the higher grade, provided the employee was actively employed on the higher grade within the past five (5) years.

**(e)--To a higher grade lower than the highest grade previously held.** An employee transferred to a higher grade which is lower than the highest grade previously held by the employee in the past five (5) years shall be transferred at the salary earned when previously employed on the highest grade, but not to exceed the maximum of the new grade, or at the employee's present salary, whichever is higher, but the employee will not be credited with any accrued progression time.

**(f)--To a grade higher than any grade previously held.** An employee transferred to a grade higher than any grade previously held shall be transferred in accordance with Section (4) (b),

**Transfers--Intra-Plant.** The salary to be used in calculating the new rate shall be the higher of either the employee's present salary or a salary determined in accordance with the salary earned in the highest grade previously held, provided the employee was actively employed on that grade within the past five (5) years.

**(g)--Reinstatement from layoff.** An employee reinstated from layoff, either hourly or salary, at a plant or office or bargaining unit from which the employee was previously laid off, shall be paid a salary determined in accordance with Section (4), **Transfers--Intra-Plant.**

An employee recalled from layoff to the same classification and job at a plant or office or bargaining unit from which the employee was previously laid off shall have the employee's salary at time of recall determined in accordance with the salary earned when previously employed on the classification and job, provided the employee was actively employed on the classification and job within the past five (5) years. If the employee has not been actively employed on the classification and job within the past five (5) years the employee's salary shall be determined in accordance with Paragraphs (a), (b) or (c) of Section (5), **Transfers and Placements--Inter-Plant.**

#### **(5) Transfers and Placements--Inter-Plant**

An employee transferred from one plant or office to another plant or office or from one bargaining unit to another bargaining unit [except, (a) those employees transferred with their operations under the provisions of the National Agreement, (b) employees transferred under the provisions of the Group Layoff Procedure regarding the placement of certain laid off Engineering

employees, (c) employees laid off from one plant, office or bargaining unit and hired or subsequently reclassified at another plant, office or bargaining unit on a same classification which they held in the past five (5) years at the former plant, office or bargaining unit, or (d) employees recalled to their former plant, office or bargaining unit in line with their seniority will have their salary determined in accordance with Section (4), Transfers--Intra-Plant} or an employee laid off from one plant or office and hired at another plant or office or laid off from one bargaining unit and hired at another bargaining unit, shall be transferred or hired in accordance with the following provisions:

(a)--An employee whose salary at the time of transfer or layoff was less than the top progression rate for the new grade shall be paid a salary determined in accordance with the foregoing provisions of Section (4), Transfers--Intra-Plant.

(b)--The salary of an employee whose salary at the time of transfer or layoff was in excess of the top progression rate and not in excess of the midpoint of the new grade shall receive the employee's present salary.

(c)--An employee whose salary at time of transfer or layoff was in excess of the midpoint of the salary range of the grade to which the employee is being transferred or reinstated shall be reduced to not less than the midpoint, unless the top progression rate exceeds the midpoint in which event the employee shall be paid either the employee's current salary, if it is at or below the top progression rate, or not less than the top progression rate if the employee's current salary is above the top progression rate. A salary above the midpoint of the grade may be authorized where



Management determines that the employee's qualifications and experience warrant a higher salary. In no case shall an employee be paid a salary in excess of the maximum salary for the grade.

**(d)--To a higher grade previously held.** The salary earned by an employee when previously employed in the higher grade shall be used in determining the appropriate salary upon transfer or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the grade within the past five (5) years.

**(e)--To a grade higher than any grade previously held.** The salary earned by an employee in the highest grade previously held shall be used in determining the appropriate salary upon reclassification or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the grade within the past five (5) years.

**(f)--To a higher grade which is lower than the highest grade previously held.** The salary earned by an employee when previously employed in the highest grade shall be used in determining the appropriate salary upon reclassification or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the highest grade within the past five (5) years.

**(g)--Subsequent reclassification to a higher grade which is lower than the highest grade previously held.** An employee who is reclassified, subsequent to initial entry at a plant or office, to a higher grade which is lower than the highest grade

previously held at a former plant or office shall be paid a salary determined in accordance with Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the highest grade within the past five (5) years.

**(h)--Reinstatement from layoff.** An employee reinstated from layoff, either hourly or salary, at a plant or office or bargaining unit other than the one from which the employee was laid off shall be paid a salary determined in accordance with Paragraphs (a), (b) or (c) above.

**(6) New Career Fields and Transfers from Hourly to Salary**

**(a)--**If an employee transfers to a classification which would represent a new career field for the employee and such transfer results in a rate of pay in excess of that of employees who are on the classification to which the employee is transferring, then, notwithstanding Sections (4), (5), and (6)(b) of this Supplement, if the effectuation of such a transfer depends solely on the rate of pay the employee will receive, Management and the Union may agree to transfer the employee at a rate of pay lower than the employee's current rate. For purposes of this Section (6) (a), transfers from hourly to salary may be considered as transfers to a new career field and Management may apply the provisions in this Section (6) (a) in establishing the employee's new salary rate.

**(b)--**The equivalent base salary of an employee transferred from hourly to bi-weekly salary status will be determined by multiplying the employee's base hourly rate, exclusive of any premiums, by forty (40) (number of hours in a workweek). The equivalent base weekly salary, thus determined, shall be used to establish the employee's salary at

time of transfer in accordance with Section (6) (a) above, or with Section (5), Transfer and Placements--Inter-Plant, whether the transfer is Inter-Plant or Intra-Plant. The salary conversion of the maximum base rate of the hourly classification shall be used to determine if an employee is transferring to a higher, same, or lower grade.

**(7) Effective Date of Progression Increases**

Progression increases become effective on the first regularly scheduled working day of the bi-weekly pay period beginning nearest to the first of the month as set forth in the attached table.

**(8) Salary Earned in a Prior Grade**

Whenever there is reference in this Supplement to a salary earned in a prior grade it will be presumed to include any general increase, improvement factor increase, cost-of-living allowance fold-ins or special adjustments which became effective since the last date the employee involved earned the former salary on the prior grade.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION

Accepted and Approved:  
INTERNATIONAL UNION, UAW

**EFFECTIVE DATES  
OF PROGRESSION INCREASES**

Progression increases become effective on the first regularly scheduled working day of the bi-weekly pay period beginning nearest to the first of

the month following the completion of the applicable period of credited time for progression purposes. For the purpose of computing the applicable period for progression increases, credit will be earned only for those months in which an employee works the majority of workdays in the month.

The following schedule of progression effective dates is based upon the aforementioned stipulations:

<b>Change Date (including Hire Date, Promotion Date, Date of Last Progression, etc.)</b>	<b>Six-Month Progression Increase to be Effective</b>
09-17-03 through 10-16-03	04-05-04
10-17-03 through 11-13-03	05-03-04
11-14-03 through 12-11-03	05-31-04
12-12-03 through 01-16-04	06-28-04
01-17-04 through 02-13-04	07-26-04
02-14-04 through 03-16-04	09-06-04
03-17-04 through 04-19-04	10-04-04
04-20-04 through 05-17-04	11-01-04
05-18-04 through 06-15-04	11-29-04
06-16-04 through 07-16-04	12-27-04
07-17-04 through 08-17-04	02-07-05
08-18-04 through 09-16-04	03-07-05
09-17-04 through 10-15-04	04-04-05
10-16-04 through 11-15-04	05-02-05
11-16-04 through 12-13-04	05-30-05
12-14-04 through 01-18-05	06-27-05
01-19-05 through 02-15-05	07-25-05
02-16-05 through 03-15-05	09-05-05
03-16-05 through 04-18-05	10-03-05
04-19-05 through 05-17-05	10-31-05
05-18-05 through 06-16-05	11-28-05
06-17-05 through 07-18-05	12-26-05
07-19-05 through 08-16-05	02-06-06
08-17-05 through 09-16-05	03-06-06
09-17-05 through 10-17-05	04-03-06
10-18-05 through 11-15-05	05-01-06
11-16-05 through 12-13-05	05-29-06
12-14-05 through 01-18-06	06-26-06
01-19-06 through 02-15-06	08-07-06
02-16-06 through 03-16-06	09-04-06
03-17-06 through 04-18-06	10-02-06

05-17-06 through 06-16-06	11-27-06
06-17-06 through 07-18-06	12-25-06
07-19-06 through 08-16-06	02-05-07
08-17-06 through 09-18-06	03-05-07
09-19-06 through 10-17-06	04-02-07
10-18-06 through 11-16-06	04-30-07
11-17-06 through 12-13-06	05-28-07
12-14-06 through 01-17-07	06-25-07
01-18-07 through 02-15-07	08-06-07
02-16-07 through 03-16-07	09-03-07
03-17-07 through 04-17-07	10-01-07
04-18-07 through 05-16-07	10-29-07
05-17-07 through 06-15-07	11-26-07
06-16-07 through 07-17-07	01-07-08
07-18-07 through 08-16-07	02-04-08
08-17-07 through 09-17-07	03-03-08

In those instances where the provisions of this attachment are not in accordance with the provisions of the Salary Grades and Progression Application Supplement, the provisions of the Salary Grades and Progression Application Supplement shall be controlling.

M-2

## MEMORANDUM OF UNDERSTANDING UNION DUES DEDUCTIONS

This Memorandum of Understanding dated September 29, 2003 between DAIMLERCHRYSLER CORPORATION (hereinafter referred to as the "Corporation") and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW (hereinafter referred to as the "Union") supplements the 2003 Salaried Agreement.

WHEREAS, the Corporation and the Union wish to set forth certain understandings with respect to the deduction and remittance of Union membership dues (which term, as used herein, shall include, where appropriate, Union initiation fees);

NOW, THEREFORE, pursuant to Section (12) of the above-mentioned Agreements, it is hereby agreed as follows:

**(1) DELIVERY OF EXECUTED FORM.** A properly executed Authorization for Check-Off of Dues form for each employee for whom Union membership dues are to be deducted hereunder shall be delivered to the Personnel Department at the employee's plant by the designated financial officer of the Local Union before any payroll deductions are made, except as to employees whose Authorizations have heretofore been so delivered and those whose authorizations appear in their "Enrollment Form". The plant management shall notify the designated financial officer of the Local Union of the identity of the Personnel Department representative to whom such Authorization for Check-Off of Dues forms are to be delivered. Deductions shall be made thereafter only under Authorization for Check-Off of Dues forms which have been properly executed and are in effect. Any Authorization for Check-Off of Dues which is improperly executed or in error will be returned to the designated financial officer of the Local Union by the Local Management.

**(2) WHEN DEDUCTIONS BEGIN.** Check-Off deductions under all properly executed Authorization for Check-Off of Dues forms that have been delivered to the respective Local

Managements on or before the ratification of the above-mentioned Agreements shall begin with the month following the month in which said Agreements are ratified.

**(3) DELIVERY OF ADDITIONAL CHECK-OFF CARDS.** Thereafter, on or before the fifteenth (15th) day of each succeeding month the Local Union shall furnish Local Management with any additional executed Authorization for Check-Off of Dues forms under which Union membership dues are to be deducted beginning with that month. If the Union membership dues and initiation fees which are due and owing for the initial month are not deducted in that month, such dues and initiation fees shall be deducted in the following month, provided employee has sufficient net earnings to cover such deduction.

**(4) PAY PERIOD IN WHICH DEDUCTION IS MADE.**

(a) After receipt of the Authorization for Check-Off of Dues form, Union membership dues, if any, for the current calendar month shall be deducted from the pay received by the employee for the first pay period ending in the calendar month. If an employee does not have sufficient net earnings in the first pay period ending in the month, a Union membership dues deduction shall be made in the next subsequent pay period ending in the month in which the employee has sufficient net earnings to cover such deduction.

(b) Union membership dues deductions shall be made as provided herein, for employees who return to work after absences of less than one (1) year, provided they previously have properly executed Authorization for Check-Off of Dues forms that remain in effect at the plant. New Authorization

for Check-Off of Dues forms shall be furnished with respect to employees (i) who are absent from work in the plant for a period of one (1) year or more or (ii) who are employed in a plant represented by a Local Union other than the one to which they previously paid Union membership dues.

**(5) OTHER DUES DEDUCTIONS.** If an employee does not have sufficient net earnings for the deduction of dues as provided in Paragraph (4) of this Memorandum of Understanding, such dues will be deducted in a later calendar month, provided the employee has sufficient net earnings after all other authorized deductions to cover the Union membership dues, and provided the designated financial officer of the Local Union gives notice in writing to the designated representative in the Plant Personnel Department specifying the employee, the employee's Social Security number, the amount to be deducted and the month or months for which the deductions are to be made. In the event an employee is laid off and does not have regular dues deducted in any pay period ending in a calendar month, Union membership dues deductions in the amount of one (1) hour straight time pay or such other amount as may be established as dues for each such employee will be deducted from the first Regular Supplemental Unemployment Benefit check issued to such employee in the following month and in each succeeding month following a month in which regular dues were not deducted. Dues deductions pursuant to this Paragraph will be made only if there is for each employee a properly executed Authorization for Check-Off of Dues form in effect for the month or months for which and in which said deduction is to be made. No dues deduction under this Paragraph shall be made for



any month more than twelve (12) months prior to the month in which the designated financial officer of the Local Union gives notice in writing.

**(6) REFUNDS.** In cases where a deduction is made that duplicates a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union Constitution and By-laws, the Authorization for Check-Off of Dues form, applicable statutes, or the terms of this Memorandum of Understanding refunds to the employee will be made by the Local Union.

**(7) REMITTANCE OF DUES TO FINANCIAL OFFICER.**

(a) Deductions made in the first pay period ending in the calendar month, together with the deductions made in the second and succeeding pay period ending in the preceding calendar month, shall be remitted to the designated financial officer of the Local Union by the twenty-fifth day of that calendar month; provided, that in the event that the twenty-fifth day of a calendar month falls on a Saturday or Sunday, remittance will be not later than the Friday preceding such twenty-fifth day of the month. Prior to the end of each month the Corporation will furnish to the designated financial officer of the Local Union a list of the names and addresses of those employees for whom the Union has submitted properly executed Authorization for Check-Off of Dues forms showing the employees for whom Union membership dues deductions have and have not been made for pay periods beginning with the second pay period in the prior month through the first pay period in the current month and showing the total number of months of dues deductions on the list.

(b) If, upon examination of the list, the designated financial officer of the Local Union believes that properly executed Authorization for Check-Off of Dues forms were furnished on behalf of employees whose names do not appear thereon, the designated financial officer may submit the names of those employees by letter to the Corporate Salary Payroll Department with a copy to the designated representative of the Plant Personnel Department, together with a request that Union membership dues deductions for the applicable month be made with respect to those employees, and if the employees have properly executed such forms, the deductions shall be made in the succeeding deduction period.

**(8) TERMINATION OF CHECK-OFF.** An employee who loses seniority for any of the reasons specified in Section (42) of the applicable Agreements or who is transferred to work outside the bargaining unit, shall cease to be subject to Check-Off deductions beginning with the month immediately following the month in which the loss of seniority or transfer took place. The designated financial officer of the Local Union will be notified by Management of the names of such employees following the end of each month in which the event took place.

**(9) DISPUTES CONCERNING CHECK-OFF.** Any dispute which may arise as to whether or not an employee properly executed or properly revoked an Authorization for Check-Off of Dues form, shall be reviewed with the employee by a representative designated by the Local Union and a representative designated by the Local Management. Should this review not dispose of the matter, the dispute may be referred to the Appeal Board, whose decision

shall be final and binding on the employee, the Union and the Corporation. Until the matter is disposed of, no further deductions shall be made.

**(10) LIMIT OF CORPORATION'S LIABILITY.**

The Corporation shall not be liable to the International Union or its Locals by reason of the requirements of the applicable Agreements or this Memorandum of Understanding for the remittance or payment of any sum other than that constituting actual deductions made from wages or salaries earned by employees or from Regular Supplemental Unemployment Benefits payable to employees.

**(11) LIST OF MEMBERS PAYING DUES DIRECTLY.** The Local Union will furnish Local Management, within fifteen (15) days after the effective date of the applicable Agreement and thereafter the names of all members paying dues directly to the Local Union.

**(12) LIMIT ON INITIATION FEE.** The initiation fee for membership in the Union shall not exceed the limits the Constitution of the International Union prescribes at the time the employee becomes a member.

**(13) DISPUTES CONCERNING MEMBERSHIP.** Any dispute arising as to an employee's membership in the Union shall be reviewed by a representative designated by the Local Management and a representative designated by the Local Union, and if not resolved may be decided by the Appeal Board through the Grievance Procedure.

DAIMLERCHRYSLER CORPORATION

By

J. Franciosi

INTERNATIONAL UNION, UAW

By Nate Gooden

M-3

**MEMORANDUM OF UNDERSTANDING  
ON JOINT ACTIVITIES**

During current negotiations, the parties discussed the challenges in the market place from both foreign and domestic competitors. There is mutual recognition that these challenges require a fundamental change to maximize the potential of our human resources. This change can occur only by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavors benefits all of the parties: the UAW through a strong and viable membership; the employees through job satisfaction and job security; and the Corporation through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of "Jointness" and to establish a facilitating mechanism to assure that the various programs

related to changes in the work environment are appropriately and effectively administered.

The term "Jointness" is understood to mean that concepts for these activities be jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved; sharing responsibility for the problem-solving process; and sharing the rewards of achieving common goals.

The parties agree that the appropriate facilitating mechanism for joint endeavors is the Joint Activities Board.

#### **I. JOINT ACTIVITIES BOARD**

It is agreed that the Co-Chairmen of the Joint Activities Board will be the Vice President of Employee Relations of DaimlerChrysler Corporation and the Vice President and Director of the DaimlerChrysler Department of the UAW. Each will appoint an equal number of persons from their respective organizations as members of the Joint Activities Board.

The Joint Activities Board will actively direct and support the UAW/DaimlerChrysler National Training Center programs to include but not limited to: the Product Quality Improvement Program, Employee Assistance Program, Tuition Assistance Program, Child/Elder Care and other joint committees and activities as may be mutually agreed to by the Union and the Corporation.

The duties and responsibilities of the Joint Activities Board will include, but not be limited to, the following:

- A. setting policies and providing guidelines,
- B. allocating funds for projects and activities,
- C. monitoring expenditures for approved projects and activities,
- D. coordinating the efforts of the National Committees referred above,
- E. evaluating and auditing the ongoing performance and results of these committees, and
- F. integrate joint activities with Corporate structures and business decisions,
- G. keeping UAW leadership and Corporate management informed of joint Union-Management activities and the progress of the national committees in achieving their objectives, including encouraging regular meetings at group, division, and staff level to share appropriate business and joint activity information.

The Vice President of Employee Relations of DaimlerChrysler Corporation and the Vice President and Director of the DaimlerChrysler Department of the UAW will appoint an equal number of representatives from their organizations to serve on Joint National Training Committees. Additional persons external to either party may also be appointed with the mutual approval of the Co-Chairmen.

## **II. NATIONAL TRAINING CENTER**

The National Training Center will continue at the national level and the Local Joint Training Committees will continue at the local level. This Local Joint Training Committee will be comprised of the President of the local Union, the Unit Chairperson where appropriate or their representatives and the Plant Manager, the Personnel Manager or their designated representatives. The UAW Regional Director and/or his representative should be fully involved regarding local skill development and training efforts including any action of each Local Joint Training Committee.

The objective of these joint committees is to promote the development and implementation of skill development and training activities for active and displaced employees. DaimlerChrysler Corporation and the UAW strongly encourage all employees to avail themselves of these training and development activities.

Efforts for displaced employees will be directed at securing employment within the DaimlerChrysler structure but, failing that, training and job placement efforts will be directed at finding such displaced employees comparable employment as soon as possible.

Existing Corporate training programs and functions as well as Education and Training programs developed by the UAW-International, its Regions and Locals are available to assist in carrying out the objectives of this program. It is strongly recommended that the parties at all levels draw heavily on these important assets and facilities.

### **III. OTHER JOINT ACTIVITIES**

In addition to its previously described functions, the UAW/DaimlerChrysler National Training Center will support other joint National Committees by coordinating joint efforts, projects and the various National Committees and other joint training proposals presented by either the union or management at the direction of the Joint Activities Board by:

1. Coordinating the requests to the Joint Activities Board for funding of joint activities, studies, pilot programs, training, etc.

2. Providing professional and staff support for joint program development, implementation and administration.

3. Providing facilities as required for joint program development, implementation and administration.

4. Providing appropriate communication vehicles or information sharing processes for joint activities.

5. Providing mechanisms, facilities and staff to monitor, audit, and evaluate joint activities.

### **IV. FUNDING**

#### **A. National Funds**

It is agreed that the Corporation will make available funding at five cents (5¢) per hour worked for use at the national level. Further, the Corporation will make available additional funding up to \$5.00 per overtime hour worked in incremental amounts in excess of five percent (5%) of straight time hours worked (calculated on a twelve month rolling average). Such additional



funding will be calculated in accordance with the following incremental table:

<b>Overtime hours as Percent of Straight Time Hours</b>	<b>Additional Amount Per Hour</b>
5% or less	\$0.00
Greater than 5% thru 12%	1.25
Greater than 12% thru 13%	1.50
Greater than 13% thru 14%	2.00
Greater than 14% thru 15%	2.50
Greater than 15% thru 16%	3.00
Greater than 16% thru 17%	3.50
Greater than 17% thru 18%	4.00
Greater than 18% thru 19%	4.50
Greater than 19%	5.00

#### **B. Reservoir and Local Funds**

It is agreed that the Corporation will make available funding at ten cents (10¢) per hour worked for use either in the plants (Local Funds) or certain nationally approved projects/activities (Reservoir funds). The parties will allocate the ten cents (10¢), between Local Funds and Reservoir Funds on an as required basis over the term of the Agreement.

#### **C. Funding Under the 1990 Agreement**

It is agreed that uncommitted funding balances accrued under the 1993 National Agreement in both the five cents (5¢) per hour fund and the ten cents (10¢) per hour (Local Funds and Reservoir Funds) as of September 15, 1999 will be carried forward under the new National Agreement. Subsequent to September 15, 1999, a final reconciliation and balancing of accounts, expenditures and commitments as of September 15, 1999 will occur. Thereafter, the remaining funds will be available for the parties.

#### D. Government Funding

The parties have agreed to establish a joint committee with representatives from the National Training Center and the Corporation Government Affairs Office to review respective efforts in seeking funding for training from government sources. This joint committee will meet semi-annually unless otherwise required.

#### E. Plant Closings

In the event the Corporation announces their intent to close a UAW represented facility (including any previously announced) the following procedure will apply:

Upon the actual closing of a facility, remaining Local Joint Training funds will immediately transfer to the National Joint Training fund, except that where employees from such facility are transferred pursuant to Section (57) the National Agreement, Local Joint Funds will be transferred to the Local Training fund account of the receiving plant on a per capita basis, subject to the prior approval of the Joint Activities Board.

#### F. Agreement Expiration

In the event the parties should agree to discontinue, in whole or in part, this Memorandum prior to the expiration date of the new National Agreement, or upon expiration, the parties shall meet to discuss any problems arising out of the termination. After reconciliation of claims, commitments, and accruals through the expiration date of the new National Agreement, remaining National, Reservoir and Local Funds shall be disposed of in such manner as the parties shall agree consistent with the objectives of this Memorandum.

In the event of discontinuance or expiration, any balances of Local Funds will remain with the Corporation and the Union will have no claim on such funds.

## **V. APPROVAL PROCESS**

### **A. National and Reservoir Local Funds**

Requests for authorization to expend National, Reservoir or Local Funds must be approved in advance by the UAW/DaimlerChrysler National Training Center and the Joint Activities Board.

### **B. Local Funds**

Requests for authorization to expend Local Funds must first be jointly agreed to by the local parties. Where mutual agreement to request authorization to expend local funds cannot be reached, either party may appeal to the UAW/DaimlerChrysler National Training Center for resolution. In addition, all requests to lease or purchase real property or capital items must be approved in advance by the UAW/DaimlerChrysler National Training Center and the Joint Activities Board.

## **VI. FUNDS UTILIZATION**

The National, Reservoir and Local Funds may only be used for joint endeavors in furtherance of this Memorandum of Understanding, or in support of those National Committees specified in Paragraph I above. Administrative guidelines with illustrative examples of appropriate uses of the various funds have been jointly developed and are available at the UAW/DaimlerChrysler National Training Center.

Examples of appropriate funds utilization:

### **A. National Funds**

- National and local efforts to assist laid-off workers

- Area efforts to assist laid-off workers
- Specific projects dealing with active workers
- Tuition Assistance Program
- National Training Center
- Regional Training Center
- Joint National Studies
- Joint National Pilot programs
- Joint National Training efforts
- Joint National Agreement administration

### **B. Reservoir Funds**

- Training of active employees when local funds have been exhausted

- Training of active employees at new, reopened or retooled plants where sufficient local funds have not been generated

### **C. Local Funds**

- Training efforts of active employees in job-related skills, basic education enhancement, and interpersonal skills.

- Specific studies, pilots, activities, etc. agreed to by the National Parties.

- Providing training for employees where there has been a significant change in the technology.

- Providing training for employees who are assigned to new duties resulting from modified work assignment practices.

- Providing training to enhance communication and interpersonal relationship skills for local Union officials and those members of Management who

are involved in the daily administration of the labor agreements.

- Providing training for employees who participate in programs and activities that are undertaken by the National Employee Participation Council.

#### **Examples of inappropriate funds utilization:**

It is understood that Funds at any level may not be utilized for contractually specified training such as apprentice training nor for funding of time off the job of designated or elected UAW representatives routinely functioning in administration of the contract. In addition, funds should not be used to train employees who will be required to service newly introduced technology, however, subsequent general training of other tradesmen on this equipment to broaden their skills is appropriate. Further, funds should not be used for the training of tradesmen to implement a newly negotiated change in classifications, however, the use of funds to freshen or update generally the skills of tradesmen is appropriate.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

The parties are specifically empowered to review and evaluate this Memorandum and the guidelines and make mutually satisfactory adjustments and modifications during the term of this Agreement.

## **MEMORANDUM OF UNDERSTANDING SENIORITY ATTAINMENT**

Memorandum of Understanding dated October 18, 1993, between DAIMLERCHRYSLER CORPORATION and the INTERNATIONAL UNION, UAW.

In interpreting Section (38) (a) of the current Office and Clerical and Engineering Agreements, a probationary employee acquires seniority at the completion of his shift on his 120th day of employment, provided however:

1. If he works any part of the 120th day and is laid off on that day, he will be considered a seniority employee. If he is discharged before the end of his shift on the 120th day, he will be considered a probationary employee.

2. Days lost during the probationary period for the following reasons will not be considered as "days of employment".

- a. Any period of five (5) or more consecutive normal days on which the employee does not work such as layoffs, temporary adjustments, non-occupational disability, or personal absence or any combination thereof.

- b. All days lost due to a strike or other interference with operations whether authorized or not.

- c. All days lost due to disciplinary layoff.

THE FOLLOWING INFORMATION AND ILLUSTRATIONS ARE INTENDED TO ASSIST THE PLANT PERSONNEL DEPARTMENTS IN APPLYING THE REQUIREMENTS OF THE MEMORANDUM OF UNDERSTANDING DATED OCTOBER 18, 1993, BETWEEN DAIMLERCHRYSLER CORPORATION AND THE INTERNATIONAL UNION, UAW, RELATIVE TO SUB-SECTION (38)(a) OF THE CURRENT OFFICE AND CLERICAL AND ENGINEERING AGREEMENTS.

### **INFORMATION**

1. When considering days of employment for the completion of an employee's probation period, all calendar days such as Saturdays, Sundays and holidays are counted as days of employment.

2. Casual absence is counted towards completion of the probationary period provided the absence is for less than five (5) consecutive normal working days.

3. Employees separated during their probationary periods for other reasons such as occupational disabilities arising out of their employment with the Corporation or military service should be handled in accordance with other terms of the National Agreements.

### **ILLUSTRATIONS**

1. A probationary employee whose 120th day of employment falls on a holiday, or Saturday, or Sunday fails to report for work within five (5) consecutive normal working days following the holiday, or Saturday, or Sunday. He is considered a probationary employee as of the last day worked.

2. An employee attains 119 days of employment on Wednesday, is subsequently absent for six (6) consecutive working days and is terminated. He is considered a probationary employee as of the last day worked, Wednesday.

3. A probationary employee completes his 119th day of employment on Wednesday, the day before a holiday. Upon his return to work as scheduled on Friday, he will be considered a seniority employee as of the completion of his shift on Thursday, as though he had worked the day of the holiday.

4. A probationary employee completes his 119th day of employment on the day before an extended holiday period. Upon his return to work as scheduled following the holiday period, he will be considered a seniority employee as of the completion of his shift on the 120th day and will be considered to have seniority as of the holiday or holidays falling after his 120th day of employment.

5. A probationary employee completes his 119th day of employment on a Friday. Upon his return to work on Monday, he will be considered a seniority employee as of the completion of his shift on the preceding Saturday, as though he had worked.

6. An employee attains 119 days of employment on Wednesday, and is subsequently absent on Thursday, Friday, Saturday, Sunday and Monday. Since the absence was less than five (5) consecutive normal working days, upon his return to work on the following Tuesday, he will be considered a seniority employee as of the preceding Thursday.



7. An employee attains 119 days of employment on Wednesday, is subsequently absent for five (5) consecutive working days and reports for work on the sixth working day. He attains his 120th day of employment at the completion of his shift on Thursday, the sixth working day, and his seniority date is adjusted accordingly.

8. A probationary employee's 120th day of employment falls on a Saturday or Sunday. He is absent from work on the previous Friday, and Monday thru Friday of the following workweek. He reports for and commences work on the Monday following his absence. Since he was absent for five (5) or more consecutive normal working days, he is considered a seniority employee effective the Monday he returns to work and his seniority date is adjusted accordingly.

9. A probationary employee's 120th day of employment falls on Monday. On that Monday the plant is notified by the employee of his illness. The employee reports to work on the following Monday. Since he was absent for five (5) or more consecutive working days, the employee is considered a probationary employee on the Monday he returns, and attains his 120th day at the completion of his shift that Monday and his seniority date is adjusted accordingly.

INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL  
IMPLEMENT WORKERS     DAIMLERCHRYSLER  
OF AMERICA                     CORPORATION

By Leonard J. Paula

By C.H. Eschenbach

## **MEMORANDUM OF UNDERSTANDING SECTION (4) INVESTIGATIONS**

It is agreed the Chairman of the Local Union or Unit Civil Rights Committee and any Committee member(s) designated by the Chairman to investigate a claim of discrimination arising under Section (4) of the National Salaried Agreement will be seniority employees at work in the unit in the plant or office.

Investigations of claims pursuant to Section (4) will be conducted in the following manner:

1. The President of the Local Union will notify the Personnel Manager in writing of the names of the Chairman and members of the Local Committee before any of them may be designated to make an investigation of a claim of discrimination pursuant to Section (4). The Local Committee shall meet semi-annually with the Personnel Manager or his designated representative, and if not on a fulltime leave of absence for Union business, and if working in the plant or unit, shall receive pay from the Corporation at their regular rate for time spent in such meeting that they would otherwise have worked in the plant or unit.

Any replacement of the Chairman or member(s) of the Committee will not be made more often than once each six (6) months, except in the case of an indefinite layoff, extended leaves of absence, or loss of seniority of an employee whose name had been previously listed. In proper cases, exceptions may be made.

2. A grievance claiming a violation of Section (4) will follow the normal steps of the grievance procedure up to and including the submission to the Appeal Board.

3. The Local Union President will notify the Personnel Manager of the date and time the investigation is to be conducted and the identity of the Committee Member who has been authorized to make the investigation. Such notice will be given on a "Fair Employment Practices Investigation Form". (See sample form attached) In cases of amalgamated union locals, telephone notifications from the Local Union President can be accepted and the Investigation Form signed by the Unit President or Chairman.

4. The Chairman or the member of the Committee designated to conduct an investigation pursuant to Section (4), will be permitted to leave his or her job to conduct the investigation with the understanding that such investigation will be conducted in a prompt and expeditious manner without interfering with orderly and efficient operations. The member of the Committee designated to make the investigation pursuant to Section (4), will have in his possession the "Fair Employment Practices Investigation Form", signed by the Local Union President or the Unit President or Chairman in accordance with paragraph 3 of this Memorandum and the Labor Relations Supervisor. The employee's supervisor will record on the form the time the employee left his job and the time he returned from the investigation. Both the supervisor and the employee will sign the form. Distribution of the completed form will be made as indicated on the form.

5. The Union and the Corporation have determined that specialized training involving the investigation and handling of employee complaints concerning alleged violations of Section (4) would be beneficial to local Civil Rights Committees. It is, therefore, agreed that the National Training Center will develop and provide such training under the direction of the Joint Activities Board.

6. Complaints concerning the implementation of this Memorandum may be raised at a "meeting" of the National Equal Application Committee as defined in Letter (116) of the Production and Maintenance Agreement.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA	CHRYSLER CORPORATION
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By Leonard J. Paula

By Robert F. Whitcher

**FAIR EMPLOYMENT PRACTICES  
INVESTIGATION FORM**

TO: Labor Relations Supervisor

**Please be advised that the below named employee, a member of the Local Union or Unit Fair Employment Practices Committee, is authorized to investigate Grievance # pursuant to Section (4) of the National Office and Clerical or Engineering Agreement.**

\_\_\_\_\_  
(FEP Investigator)

Please return a copy of this form to me indicating the amount of time (to the nearest tenth of an hour) for which this employee was not paid by the Corporation.

\_\_\_\_\_  
President of Local Union (Date)

\_\_\_\_\_  
Labor Relations (Date)

Date

Time Returned to  
Job:

Time Left Job:

Time Elapsed:

M	T	W	T	F

Total  
Hours

\_\_\_\_\_  
Supervisor

\_\_\_\_\_  
FEP Investigator (employee)

cc: Labor Relations  
Supervisor  
Local President  
Regional Union Rep.  
FEP Investigator

## **MEMORANDUM OF UNDERSTANDING NEW TECHNOLOGY**

The Corporation is mindful of the Union's concern regarding the scope and work content of job classifications of represented employees and how each may be affected by advancing technology. The Union has also voiced concern about the possibility the new, technologically impacted bargaining unit work will not be awarded to represented employees because they are insufficiently trained to perform it.

In view of the parties' interest in affording maximum opportunity for employees to progress with new and advancing technology, the parties shall review skill requirements and ensure that employees' skill levels match work assignment requirements. The parties will identify appropriate specialized training programs so that employees will be capable of performing new or changed work normally performed by represented personnel. The parties shall also attempt to address issues where employees, despite their best efforts, are unable to adequately adapt their skills to changes resulting from advancing technology.

During these negotiations, the parties have recognized that technological progress, better tools, methods, processes, equipment or materials have improved the quality of work life and standard of living for all employees, as well as the Corporation's competitive position. Over the years, the scope and work content of job classifications of both represented and non-represented employees have been changed by the methods and processes associated with technological progress.

Advancing technology has created, and will continue to create, new and more complex problems bearing upon the work content of job classifications of employees represented by the Union. It is not the Corporation's policy to assign to non-represented employees work which comes within the scope and content of that normally assigned to represented employees at a particular plant location or unit. The Corporation recognizes that mere novelty or sophistication of new technology alone is not grounds for withdrawing work from represented employees. At the same time, it is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of represented employees at plant locations and that a change in the means, method or process of performing a work function will not serve to shift the work function from represented to non-represented employees.

In this regard, the National Committee (comprised of an appropriate number of Union and Management members of the current Job Security, Operational Effectiveness and Sourcing Committee will meet periodically to discuss the development of new technology, methods and processes at the Corporate level and its possible impact upon the scope of the bargaining unit. The parties may also discuss other matters concerning new or advanced technology as well as opportunities for additional value added business which could be undertaken on a competitive basis for redeployment of employees impacted by new technology that may be referred by local unions or by local managements as well as any claims of erosion of the bargaining unit, occasioned by the introduction of new technology. The parties will also discuss other matters concerning new or advanced technologies that may be referred by UAW

Sourcing Representatives as issues arise in their day-to-day interaction with their respective platforms.

In addition, the Corporation agrees to continue to provide advanced written notification to the International Union and the impacted Local Unions at a location planning the introduction of new or advanced technology before the implementation of such technology so as to permit meaningful discussions of its impact, if any. Examples of situations where notification should be given are:

A. The first introduction of a technology as compared to previously existing plant or unit technology.

B. Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.

C. Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

The written notification will describe the technology involved, the anticipated impact on the Bargaining Unit, the equipment being introduced, its intended use and the anticipated installation date(s).

The Local Plant Management Representatives shall meet with the Local Union Representatives to review the various matters of concern relative to the introduction of the new technology involved.

During those discussions the Unit Chairman/President shall include, as appropriate and necessary, other Local Union Representatives



such as the Local Union President or a representative from the Local Skill Development and Training Committee, in order to review the various matters of concern relative to the introduction of the new technology involved. In the event the introduction of technology eliminates current jobs, the parties may explore redeployment opportunities for affected employees to meaningful assignments including regular productive assignments and "non-traditional" work, and/or identify opportunities for additional value added business which could be undertaken on a competitive basis.

Likewise, the Local Management Representatives shall include representatives from appropriate functions, including, but not limited to, Manufacturing Engineering, Industrial Engineering and Human Resources in order to enhance meaningful discussions. Those discussions shall take place with all parties present as a group or separately according to individual disciplines as practicable.

Jointly, the Corporation and the Union shall seek to identify appropriate specialized training programs to afford maximum opportunity for employees to progress with advancing technology and shall submit to the UAW/DaimlerChrysler National Training Center their recommendations for any training programs intended to assist present employees to perform work within the bargaining unit which is new or changed as a result of technological improvement.

In the event the Vice President and Director of the UAW DaimlerChrysler Department considers it appropriate, he may arrange a meeting with the Vice President of Employee Relations of the

Corporation to discuss the impact of such technological changes and any proposed responses to such changes.

Any problems not resolved in such discussions may be submitted to the grievance procedure, or to any other procedure on which the parties may agree.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW By Stephen P. Yokich	DAIMLERCHRYSLER CORPORATION By T. Gallagher
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## **MEMORANDUM OF UNDERSTANDING REGARDING THE SPECIAL ARBITRATION PROGRAM**

WHEREAS, the parties have agreed to establish a Special Arbitration Program designed to provide an expeditious way of submitting to arbitration certain arbitrable grievances involving essentially factual disputes, which do not require contract interpretation, which do not involve the application of Section (5) of the National Agreement (hereinafter defined), and which were filed in writing not more than ninety (90) calendar days prior to the second step answer, as provided in Section (21) of the National Agreement; and

THEREFORE, it is agreed as follows:

## **Selection of Arbitrators**

The arbitrator or panel of arbitrators shall be the same as is established for Special Arbitration under the National Production and Maintenance Agreement. The expenses and fees of the arbitrator shall be borne equally by the Corporation and the International Union, UAW. Fee schedules and cancellation charges shall be established by the National parties.

## **Guidelines**

When a grievance is to be submitted for consideration hereunder, the following guidelines will apply:

(a) If, within three (3) working days of receipt of management's second step answer, either the plant management or Local Union contends that an arbitrable grievance qualifies for the Program, a written request shall be submitted to the DaimlerChrysler Department of the International Union or to the Corporate Union Relations Staff, as appropriate, asking that they agree to apply the Program to that grievance.

(b) Within ten (10) working days of receipt of the request, the Corporate Union Relations Staff and the DaimlerChrysler Department of the International Union (i) will review the grievance to assure it qualifies for the Program and determine whether it would be beneficial to apply the Program to that particular grievance, (ii) will then notify plant management and the Local Union whether they have agreed to submit the grievance to Special Arbitration and, if so, the specific issue(s) upon which the arbitrator will be asked to rule, and (iii) determine the representatives of each party at the hearing. The Corporation and the International Union may also agree in proper cases to submit to

Special Arbitration a qualified grievance that is at the Regional Review or Appeal Board Step of the Grievance Procedure.

(c) After a grievance has been approved for submission to Special Arbitration, the parties will jointly request the services of an arbitrator as heretofore provided. The arbitrator will arrange a time and date for the hearing to be held at the plant within ten (10) days of designation.

### **Conduct of Hearing**

The hearing shall be conducted in accordance with the following guidelines:

- (a) The hearing will be informal.
- (b) No briefs will be filed or transcripts made.
- (c) There will be no formal rules of evidence.

(d) In the interest of narrowing the issues in dispute and to preclude the introduction of new evidence or information not previously brought to the attention of either party the parties shall (i) meet at least twenty-four (24) hours prior to the scheduled hearing to exchange the names of witnesses to be called, citations to be used in connection with the hearing and review the respective positions of the parties, and (ii) jointly prepare and present to the arbitrator at the beginning of the hearing a stipulation of those facts which are not in dispute.

(e) The case of each party will be presented by representatives previously designated by the Corporate Union Relations Staff and the International Union. Normally, this will be the Labor Relations Supervisor and the Unit

Chairman/President. The UAW Regional Representative and the Division Labor Relations Representative may also participate.

(f) The arbitrator will assure that all necessary witnesses and pertinent facts and evidence are presented to him by the representatives of the parties. In all respects, the arbitrator shall assure a fair and complete hearing.

(g) If the arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration, the case shall be referred without a decision to the Appeal Board and it shall be processed as though appealed on the date so referred in accordance with the regular procedure.

### **Format of the Hearing**

The format of each hearing shall be as follows:

(a) Introductory remarks by the Corporation and Union setting forth their respective positions.

(b) Presentation of testimony by witnesses through direct and cross examination.

(c) Questions or call of witnesses by the arbitrator.

(d) Short summation by the parties.

### **The Decision**

The arbitrator may issue a summary decision at the hearing. However, in each case the decision shall be issued in writing within seventy-two (72) hours after conclusion of the hearing. The arbitrator's decision shall be based on the record developed and presented by the parties at the

hearing and shall include a brief explanation of the basis for the decision. The decision shall not form a precedent for any future cases or be used as a basis for settlement of any other grievances. The decision shall be final and binding upon both parties and shall not be subject to appeal under Section (31) of the National Agreement.

#### **Reference to Agreement**

The foregoing references to National Agreement have application to both the National Office and Clerical and National Engineering Agreements, as appropriate.

#### **Authority**

The arbitrator shall have the authority that Section (24) (c) of the current National Office and Clerical and Engineering Agreements grants the Appeal Board.

The Corporate Union Relations Staff and the International Union may, in proper cases where the sole issue is the ability factor of the grievant, mutually agree to grant the arbitrator the authority to rule on the grievances filed pursuant to Sections (16), (43), (44), (52), (53), (54), (59), (60) and (61) and Memoranda M-6 and M-9 of the National Agreements.

**DAIMLERCHRYSLER CORPORATION**

By T. Gallagher

**INTERNATIONAL UNION, UAW**

By Leonard J. Paula

## **SALARY CLASSIFICATION AND GRADE SUPPLEMENT**

This Memorandum of Understanding supplements the National Office, Clerical and Engineering Agreement between DAIMLERCHRYSLER CORPORATION and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and certain of its Local Unions dated September 29, 2003.

**1. Apprentice Salary Schedule - Transfer Salaries**

**Classification No. 62000 - Apprentice - Tool Designer, and**

**Classification No. 63000 - Apprentice - Die Designer, and**

**Classification No. 66000 - Apprentice - Tool & Die Designer, and**

**Classification No. 63800 - Apprentice - Wood Model Maker, and**

**Classification No. 63900 - Apprentice - Plastic Model Maker, and**

**Classification No. 64000 - Apprentice - Die Model Making, and**

**Classification No. 65000 - Apprentice - Metal Model Body Builder**

An employee transferring to a salaried apprentice classification shall be paid the salary of the classification held immediately prior to transferring to the apprentice classification or at the following salary:

Effective: September 22, 2003	\$998.80
Effective: September 20, 2004	\$998.80
Effective: September 19, 2005	\$1,018.80
Effective: September 18, 2006	\$1,049.20

whichever is lower, provided, however, that in no event will the starting salary be lower than the following:

Effective: September 22, 2003	\$987.20
Effective: September 20, 2004	\$987.20
Effective: September 19, 2005	\$1,007.20
Effective: September 18, 2006	\$1,037.60

and shall be paid that salary until the beginning of the first pay period following the pay period in which the employee shall be entitled to a higher rate according to the salary schedule for the employee's apprenticeship classification and, thereafter, the employee shall be paid according to this salary schedule.

2. **Apprentice Salary Schedule - Stamping & Assembly Division**  
**Classification No. 62000 - Apprentice - Tool Designer and**  
**Classification No. 63000 - Apprentice - Die Designer, and**  
**Classification No. 66000 - Apprentice - Tool & Die Designer**

The attached schedule is applicable only to apprentices on the above classifications and are based on the date of hire on the apprentice classification.

At the time of graduation, such apprentices will be paid the Graduation Rate in accordance with the applicable schedule effective date.



Apprentices on course on or after the effective date of this Agreement who are receiving the salary of the classification they held immediately prior to entering into apprenticeship shall be paid the new salary of the classification they held immediately prior to entering into apprenticeship until the beginning of the first pay period in which they would be entitled to a higher salary according to the Apprentice Salary Schedule. Thereafter, they shall be paid according to the applicable schedule, including Add-On if applicable.

Apprentices on course on or after the effective date of this Agreement who are receiving a salary adjusted in accordance with Section (1) of the Salary Classification and Grade Supplement shall be paid the salary adjusted in accordance with Section (1) effective date until the beginning of the first pay period in which they would be entitled to a higher salary according to the Apprentice Salary Schedule. Thereafter, they shall be paid according to the applicable schedule, including Add-On if applicable.

**APPRENTICE SALARY SCHEDULE -  
STAMPING AND ASSEMBLY DIVISION  
CLASSIFICATION NO. 82000 -  
APPRENTICE - TOOL DESIGNER, AND  
CLASSIFICATION NO. 83000 -  
APPRENTICE - DIE DESIGNER, AND  
CLASSIFICATION NO. 66000 -  
APPRENTICE - TOOL & DIE DESIGNER**

Effective 8/22/2003

No. of Hours	% of Base Salary	Apprentice Classifications 82000, 83000 and 66000				
		Hired on or after 8/22/03 Apprentice Salary	COLA Add-On	Hired on or After 09/28/99 but prior to 8/22/03 Apprentice Salary	COLA Add-On	Hired on or After 10/14/96 but prior to 09/28/99 Apprentice Salary
0 to 1000	65%	\$785.43	\$26.00	\$811.43	\$36.90	\$825.33
1001 to 2000	70%	\$845.85	\$4.00	\$899.85	\$4.20	\$880.05
2001 to 3000	75%	\$906.26	\$0.00	\$926.26	\$6.50	\$934.76
3001 to 4000	80%	\$966.68	\$6.00	\$982.68	\$2.80	\$989.48
4001 to 5000	85%	\$1027.10	\$2.00	\$1039.10	\$7.10	\$1044.20
5001 to 6000	90%	\$1087.52	\$0.00	\$1085.52	\$1.40	\$1096.92
6001 to 8000	95%	\$1147.93	\$0.00	\$1151.93	\$6.70	\$1153.63
Base Salary		\$1,208.35		\$1,208.35		\$1,208.35

Graduation Effective 9/29/2004		\$1,219.04		\$1,219.04		\$1,219.04	
		Apprentice Classifications \$2000, \$3000 and \$6000					
No. of Hours	% of Base Salary	Hired on or after 9/22/03	COLA Add-On	Hired on or After 09/28/99 but prior to 9/22/03	Apprentice Salary	COLA Add-On	Hired on or After 10/14/98 but prior to 09/28/99
		Apprentice Salary					Apprent Salary
0 to 1000	65%	\$785.43	\$28.00		\$813.43	\$39.90	\$853.33
1001 to 2000	70%	\$845.85	24.00		\$869.85	34.20	\$904.05
2001 to 3000	75%	\$906.28	20.00		\$926.28	28.50	\$954.78
3001 to 4000	80%	\$966.69	18.00		\$984.69	22.80	\$1007.49
4001 to 5000	85%	\$1027.10	12.00		\$1039.10	17.10	\$1056.20
5001 to 6000	90%	\$1087.52	8.00		\$1095.52	11.40	\$1106.92
6001 to 8000	95%	\$1147.93	4.00		\$1151.93	5.70	\$1157.63
Base Salary		\$1,208.35			\$1,208.35		\$1,208.35
Graduation		\$1,219.04			\$1,219.04		\$1,219.04

Effective 9/19/2005		Apprentice Classifications \$2000, \$3000 and \$6000				
No. of Hours	% of Base Salary	Hired on or after 9/22/03	Hired on or After 09/28/99 but prior to 9/22/03		Hired on or After 10/14/98 but prior to 09/28/99	
		Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprent Salary
0 to 1000	65%	\$801.14	\$28.00	\$829.14	\$39.90	\$869.04
1001 to 2000	70%	\$862.78	24.00	\$886.78	34.20	\$920.98
2001 to 3000	75%	\$924.39	20.00	\$944.39	28.50	\$972.89
3001 to 4000	80%	\$986.02	18.00	\$1002.02	22.80	\$1024.82
4001 to 5000	85%	\$1047.64	12.00	\$1059.64	17.10	\$1076.74
5001 to 6000	90%	\$1109.27	8.00	\$1117.27	11.40	\$1128.67
6001 to 8000	95%	\$1170.89	4.00	\$1174.89	5.70	\$1180.59
Base Salary		\$1,232.52		\$1,232.52		\$1,232.52
Graduation		\$1,243.42		\$1,243.42		\$1,243.42

Effective 9/19/2006		Apprentice Classifications \$2000, \$3000 and \$6000				
No. of Hours	% of Base Salary	Hired on or after 9/22/03	Hired on or After 09/28/99 but prior to 9/22/03		Hired on or After 10/14/98 but prior to 09/28/99	
		Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprent Salary
0 to 1000	65%	\$825.18	\$28.00	\$853.18	\$39.00	\$895.18
1001 to 2000	70%	\$886.85	24.00	\$912.85	34.20	\$922.85
2001 to 3000	75%	\$952.13	20.00	\$972.13	28.50	\$980.63
3001 to 4000	80%	\$1015.90	18.00	\$1033.90	22.80	\$1038.70
4001 to 5000	85%	\$1079.08	12.00	\$1091.08	17.10	\$1096.18
5001 to 6000	90%	\$1142.55	8.00	\$1150.55	11.40	\$1153.95
6001 to 8000	95%	\$1206.03	4.00	\$1210.03	5.70	\$1211.73
Base Salary		\$1,269.50		\$1,269.50		\$1,269.50
Graduation		\$1,280.72		\$1,280.72		\$1,280.72

**3. Apprentice Salary Schedules - Apprentice Wood Model Maker Classification No. 63800, Engineering Office Classification No. 64000, Apprentice - Die Model Making and Classification No. 65000, Apprentice - Metal Model Body Builder**

The attached schedules are applicable to apprentices on the above classifications and are based on the date of hire on the apprentice classification.

At the time of graduation, such apprentices will be paid the Base Salary in accordance with the applicable schedule effective date.

Apprentices on course on or after the effective date of this Agreement who are receiving the salary of the classification they held immediately prior to entering into apprenticeship shall be paid the new salary of the classification they held immediately prior to entering into apprenticeship until the beginning of the first pay period in which they would be entitled to a higher salary according to the Apprentice Salary Schedule. Thereafter, they shall be paid according to the applicable schedule, including Add-On if applicable.

Apprentices on course on or after the effective date of this Agreement who are receiving a salary adjusted in accordance with Section (1) of the Salary Classification and Grade Supplement shall be paid the salary adjusted in accordance with Section (1) effective date until the beginning of the first pay period in which they would be entitled to a higher salary according to the Apprentice Salary Schedule. Thereafter, they shall be paid according to the applicable schedule, including Add-On if applicable.

**APPRENTICE SALARY SCHEDULE -  
ENGINEERING OFFICE  
CLASSIFICATION NO. 63800  
APPRENTICE - WOOD MODEL MAKER  
CLASSIFICATION NO. 64000  
APPRENTICE - DIE MODEL MAKING AND  
CLASSIFICATION NO. 65000  
APPRENTICE - METAL MODEL BODY BUILDER**

Effective 9/22/2003		Apprentice Classifications 63800, 64000 and 65000				
No. of Hours	% of Base Salary	Hired on or after 9/22/03	Hired on or After 09/28/99 but prior to 9/22/03	Hired on or After 10/14/98 but prior to 09/28/99		
		Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary
0 to 1000	65%	\$751.68	\$28.00	\$809.68	\$39.90	\$821.58
1001 to 2000	70%	\$817.79	24.00	\$865.79	34.20	\$875.99
2001 to 3000	75%	\$881.92	20.00	\$921.92	28.50	\$930.42
3001 to 4000	80%	\$942.05	16.00	\$978.05	22.80	\$984.85
4001 to 5000	85%	\$1022.18	12.00	\$1034.18	17.10	\$1039.28
5001 to 6000	90%	\$1062.30	8.00	\$1090.30	11.40	\$1093.70
6001 to 8000	95%	\$1142.43	4.00	\$1146.43	5.70	\$1148.13
Base Salary		\$1,202.56		\$1,202.56		\$1,202.56

Effective 9/20/2004		Apprentice Classifications 63800, 64000 and 65000				
No. of Hours	% of Base Salary	Hired on or after 9/22/03	Hired on or After 09/28/99 but prior to 9/22/03	Hired on or After 10/14/98 but prior to 09/28/99		
		Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary
0 to 1000	65%	\$751.68	\$28.00	\$809.68	\$39.90	\$821.58
1001 to 2000	70%	\$817.79	24.00	\$865.79	34.20	\$875.99
2001 to 3000	75%	\$881.92	20.00	\$921.92	28.50	\$930.42
3001 to 4000	80%	\$942.05	16.00	\$978.05	22.80	\$984.85
4001 to 5000	85%	\$1022.18	12.00	\$1034.18	17.10	\$1039.28
5001 to 6000	90%	\$1062.30	8.00	\$1090.30	11.40	\$1093.70
6001 to 8000	95%	\$1142.43	4.00	\$1146.43	5.70	\$1148.13
Base Salary		\$1,202.56		\$1,202.56		\$1,202.56

Effective 9/19/2005		Apprentice Classifications 63800, 64000 and 65000				
No. of Hours	% of Base Salary	Hired on or after 9/22/03	Hired on or After 09/28/99 but prior to 9/22/03	Hired on or After 10/14/98 but prior to 09/28/99		
		Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary
0 to 1000	65%	\$757.30	\$28.00	\$826.30	\$39.90	\$837.20
1001 to 2000	70%	\$828.63	24.00	\$882.63	34.20	\$892.83
2001 to 3000	75%	\$891.98	20.00	\$939.98	28.50	\$948.48
3001 to 4000	80%	\$951.29	16.00	\$997.29	22.80	\$1004.09
4001 to 5000	85%	\$1042.62	12.00	\$1054.62	17.10	\$1059.72
5001 to 6000	90%	\$1103.95	8.00	\$1111.95	11.40	\$1115.35
6001 to 8000	95%	\$1165.28	4.00	\$1169.28	5.70	\$1170.98

Base Salary Effective 9/18/2006		\$1,226.61 Apprentice Classifications 63900, 64006 and 65000 Hired on or after 9/22/03		\$1,226.61 Hired on or After 09/28/99 but prior to 9/22/03		\$1,226.61 Hired on or After 10/14/98 but prior to 09/28/99	
No. of Hours	% of Base Salary	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On
0 to 1000	65%	\$621.22	\$28.00	\$649.22	\$39.80	\$661.12	\$39.80
1001 to 2000	70%	\$64.39	24.00	\$98.39	34.20	\$118.59	34.20
2001 to 3000	75%	\$47.56	20.00	\$67.56	26.50	\$76.06	26.50
3001 to 4000	80%	1010.73	18.00	1028.73	22.80	1063.53	22.80
4001 to 5000	85%	1073.90	12.00	1085.90	17.10	1091.00	17.10
5001 to 6000	90%	1137.07	8.00	1145.07	11.40	1148.47	11.40
6001 to 8000	95%	1200.24	4.00	1204.24	5.70	1205.94	5.70
Base Salary		\$1,280.41		\$1,280.41		\$1,280.41	

Effective 9/22/2003		Apprentice Classifications 63900 Hired on or after 9/22/03		Hired on or After 09/28/99 but prior to 9/22/03		Hired on or After 10/14/98 but prior to 09/28/99	
No. of Hours	% of Base Salary	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On
0 to 1000	65%	\$751.34	\$28.00	\$779.34	\$39.80	\$791.24	\$39.80
1001 to 2000	70%	\$89.14	24.00	\$113.14	34.20	\$143.34	34.20
2001 to 3000	75%	\$66.93	20.00	\$86.93	26.50	\$95.43	26.50
3001 to 4000	80%	\$24.73	18.00	\$42.73	22.80	\$47.53	22.80
4001 to 5000	85%	\$82.52	12.00	\$94.52	17.10	\$99.62	17.10
5001 to 6000	90%	1040.32	8.00	1048.32	11.40	1051.72	11.40
6001 to 8000	95%	1098.11	4.00	1102.11	5.70	1103.81	5.70
Base Salary		\$1,155.91		\$1,155.91		\$1,155.91	

Effective 9/28/2004		Apprentice Classifications 63900 Hired on or after 9/22/03		Hired on or After 09/28/99 but prior to 9/22/03		Hired on or After 10/14/98 but prior to 09/28/99	
No. of Hours	% of Base Salary	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On
0 to 1000	65%	\$751.34	\$28.00	\$779.34	\$39.80	\$791.24	\$39.80
1001 to 2000	70%	\$89.14	24.00	\$113.14	34.20	\$143.34	34.20
2001 to 3000	75%	\$66.93	20.00	\$86.93	26.50	\$95.43	26.50
3001 to 4000	80%	\$24.73	18.00	\$42.73	22.80	\$47.53	22.80
4001 to 5000	85%	\$82.52	12.00	\$94.52	17.10	\$99.62	17.10
5001 to 6000	90%	1040.32	8.00	1048.32	11.40	1051.72	11.40
6001 to 8000	95%	1098.11	4.00	1102.11	5.70	1103.81	5.70
Base Salary		\$1,155.91		\$1,155.91		\$1,155.91	

**Effective 8/19/2008**

No. of Hours	% of Base Salary	Apprentice Classifications 63900		Hired on or After 08/28/99 but prior to 9/22/03		Hired on or After 10/14/99 but prior to 08/28/99	
		Hired on or after 9/22/03 Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On
0 to 1000	65%	\$766.37	\$28.00	\$794.37	\$39.90	\$806.27	
1001 to 2000	70%	825.32	24.00	849.32	34.20	859.52	
2001 to 3000	75%	884.27	20.00	904.27	28.50	912.77	
3001 to 4000	80%	943.22	16.00	959.22	22.80	966.02	
4001 to 5000	85%	1002.18	12.00	1014.18	17.10	1019.28	
5001 to 6000	90%	1061.13	8.00	1069.13	11.40	1072.53	
6001 to 8000	95%	1120.08	4.00	1124.08	5.70	1125.78	
Base Salary		\$1,179.03		\$1,179.03		\$1,179.03	

**Effective 9/16/2008**

No. of Hours	% of Base Salary	Apprentice Classifications 63900		Hired on or After 09/28/99 but prior to 9/22/03		Hired on or After 10/14/99 but prior to 09/28/99	
		Hired on or after 9/22/03 Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On	Apprentice Salary	COLA Add-On
0 to 1000	65%	\$789.38	\$0.00	\$789.38	\$39.00	\$829.38	
1001 to 2000	70%	850.08	28.00	878.08	34.20	884.28	
2001 to 3000	75%	910.80	24.00	934.80	28.50	939.30	
3001 to 4000	80%	971.52	20.00	991.52	22.80	994.32	
4001 to 5000	85%	1032.24	16.00	1048.24	17.10	1049.34	
5001 to 6000	90%	1092.96	12.00	1104.96	11.40	1104.36	
6001 to 8000	95%	1153.68	8.00	1161.68	5.70	1158.38	
Base Salary		\$1,214.40		\$1,214.40		\$1,214.40	

#### 4. Hiring Salaries - New Hires - Registered Occupational Health Nurses

In establishing salaries offered and paid to newly hired Registered Occupational Health Nurses, the Corporation intends to take into account such factors as labor market conditions, type and extent of previous nursing experience, level of academic achievement, and relation of the salary offer to salaries being paid to on-roll Registered Occupational Health Nurses. Under normal circumstances and to the extent reasonably practicable and if the present labor market

conditions continue, the following guidelines will be applied:

(1) Registered Occupational Health Nurses with less than two (2) years of nursing service normally will be offered a salary 21.8% over the minimum of the grade.

(2) Registered Occupational Health Nurses with two (2) or more years of nursing experience will be offered a salary not less than 21.8% over the minimum of the grade.

#### **5. Promotional Increase Exceptions - On-Roll Employees**

During the course of 1976, 1979, 1982, 1985, 1988, 1990 and 1993 National Negotiations, the Corporation and the Union agreed to reduced minimums for the Clerical-Engineering-Technical 18-Grade structure. In conjunction with the reduced minimums, special provisions were established whereby employees on the roll at the time of such agreements shall have the existing minimums (appropriately updated) available to them upon future promotion(s) as follows:

##### **a. Employees on Roll Prior to November 22, 1976**

"In the case of promotion, employees on roll prior to November 22, 1976, receive a base salary not less than 11.1% above the minimum of the promotional grade under the salary structures set forth in the National Agreements."

##### **b. Employees Hired on November 22, 1976, Through November 18, 1979**

"Employees covered by the 1979 National Office and Clerical and Engineering Agreements

who were placed on the roll between November 22, 1976, and November 18, 1979, who are promoted to higher grades under the salary structures in effect under the 1979 National Agreements shall receive a base salary not less than the specified amount of the promotional grade as indicated."

**c. Employees Hired on November 19, 1979,  
Through December 12, 1982**

Employees covered by the 1982 Office and Clerical and Engineering Agreements who were placed on the roll November 19, 1979, through December 12, 1982, and who are promoted to higher grades under the salary structures in effect under the 1982 Office and Clerical and Engineering Agreements shall receive a base salary not less than the amount of the promotional grade as specified."

**d. Employees Hired on December 13, 1982,  
Through October 27, 1985**

Employees covered by the 1983 Office and Clerical and Engineering Agreements who were placed on the roll December 13, 1982, through October 27, 1985, and who are promoted to higher grades under the salary structures in effect under the 1985 Office and Clerical and Engineering Agreements shall receive a base salary not less than the amount of the promotional grade as specified.

**e. Employees Hired on October 28, 1985,  
Through May 22, 1988**

Employees covered by the 1988 Office and Clerical and Engineering Agreements who were placed on the roll October 28, 1985, through May 22, 1988, and who are promoted to higher grades under the salary structures in effect under the 1988 Office and Clerical and Engineering Agreements



shall receive a base salary not less than the amount of the promotional grade as specified.

**1. Employees Hired on May 23, 1988  
Through September 16, 1990**

Employees covered by the 1990 Office and Clerical and Engineering Agreements who were placed on roll May 23, 1988 through September 16, 1990 and who are promoted to higher grades under the salary structure in effect under the 1990 Office and Clerical and Engineering Agreements shall receive a base salary not less than the amount of the promotional grade as specified.

**g. Employees Hired On September 17,  
1990 Through September 19, 1993**

Employees covered by the 1993 Office and Clerical and Engineering Agreements who were placed on roll September 17, 1990 through September 19, 1993 and who are promoted to higher grades under the salary structure in effect under the 1993 Office and Clerical and Engineering Agreements shall receive a base salary not less than the amount of the promotional grade as specified.

The attached chart reflects the foregoing minimums appropriately updated and are to be applied in the case of promotional increases based on the employee's latest hire date.

Employees who were placed on the roll during the periods indicated below and who are promoted to higher grades under the salary structure in effect under the Office and Clerical and Engineering Agreements shall receive a base salary not less than the amount specified of the promotional grade as indicated below:

# Employees Promoted Between 09/15/2003 and 09/19/2004

Sal. Grd.	Hired Prior Thru 11-22-78	Hired On 11-22-78 Thru 11-19-79	Hired On 11-19-79 Thru 12-12-82	Hired On 12-12-82 Thru 10-27-85	Hired On 10-28-85 Thru 05-22-88	Hired On 05-23-88 Thru 09-18-90	Hired On 09-17-90 Thru 09/19/93
2	\$890.07	\$957.68	\$841.10	\$909.16	\$886.78	\$932.88	\$788.48
3	\$97.05	\$63.99	\$48.95	\$15.21	\$73.11	\$36.84	790.08
4	1007.94	873.61	854.65	814.25	880.40	843.83	
5	1030.05	890.89	870.82	835.14	894.18	863.45	
6	1038.43	898.14	876.53	840.10	889.89	874.10	
7	1045.33	1002.89	879.54	842.77	899.41	890.98	
8	1050.62	1008.87	882.83	845.48	902.09	889.81	
9	1075.51	1029.18	1002.88	863.18	919.81	913.48	
10	1081.87	1034.74	1008.30	886.09	922.83	922.53	
11	1110.38	1080.82	1032.39	888.04	944.70	944.70	
12	1128.33	1072.40	1044.44	895.12	953.83	853.83	
13	1156.85	1097.83	1071.03	1018.48	874.00	874.00	
14	1176.81	1120.28	1084.37	1037.20	892.93	892.93	
15	1188.08	1130.80	1104.02	1045.91	1000.29	1000.29	
16	1227.27	1185.84	1141.98	1080.07	1038.09	1038.09	
17	1252.56	1188.83	1184.88	1100.53	1058.86	1058.86	
18	1317.55	1247.88	1226.85	1156.45	1115.40	1115.40	

# Employees Promoted Between 08/20/2004 and 09/18/2005

Sal. Grd.	Hired Prior Thru 11-22-78	Hired On 11-22-78 Thru 11-19-79	Hired On 11-19-79 Thru 12-12-82	Hired On 12-12-82 Thru 10-27-85	Hired On 10-28-85 Thru 05-22-88	Hired On 05-23-88 Thru 09-18-90	Hired On 09-17-90 Thru 09/19/93
2	\$890.07	\$957.68	\$841.10	\$909.16	\$886.78	\$932.88	\$788.48
3	\$97.05	\$63.99	\$48.95	\$15.21	\$73.11	\$36.84	790.08
4	1007.94	873.61	854.65	814.25	880.40	843.83	
5	1030.05	890.89	870.82	835.14	894.18	863.45	
6	1038.43	898.14	876.53	840.10	889.89	874.10	
7	1045.33	1002.89	879.54	842.77	899.41	890.98	
8	1050.62	1008.87	882.83	845.48	902.09	889.81	
9	1075.51	1029.18	1002.88	863.18	919.81	913.48	
10	1081.87	1034.74	1008.30	886.09	922.83	922.53	
11	1110.38	1080.82	1032.39	888.04	944.70	944.70	
12	1128.33	1072.40	1044.44	895.12	953.83	853.83	
13	1156.85	1097.83	1071.03	1018.48	874.00	874.00	
14	1176.81	1120.28	1084.37	1037.20	892.93	892.93	
15	1188.08	1130.80	1104.02	1045.91	1000.29	1000.29	
16	1227.27	1185.84	1141.98	1080.07	1038.09	1038.09	
17	1252.56	1188.83	1184.88	1100.53	1058.86	1058.86	
18	1317.55	1247.88	1226.86	1156.45	1115.40	1115.40	

# Employees Promoted Between 09/19/2005 and 09/17/2006

Sal. Ord.	Hired Prior Thru 11-22-78	Hired On 11-22-78 Thru 11-18-79	Hired On 11-18-79 Thru 12-12-82	Hired On 12-12-82 Thru 10-27-85	Hired On 10-28-85 Thru 05-22-88	Hired On 05-23-88 Thru 09-18-90	Hired On 09-17-90 Thru 09/19/93
2	\$1009.87	\$976.83	\$959.82	\$927.34	\$886.14	\$849.30	\$802.19
3	1016.98	983.27	965.89	939.51	890.57	853.58	805.88
4	1028.10	993.08	973.74	932.54	888.01	850.71	
5	1050.65	1010.83	990.24	953.84	912.06	880.72	
6	1060.24	1018.10	995.08	958.90	916.86	891.58	
7	1068.24	1022.74	989.13	961.53	917.40	898.80	
8	1071.63	1027.01	1002.28	964.37	920.13	907.61	
9	1097.02	1049.78	1022.94	982.42	938.08	931.73	
10	1103.30	1055.49	1028.43	985.41	941.08	940.89	
11	1132.57	1081.83	1053.04	1005.78	963.59	963.59	
12	1150.90	1093.85	1065.33	1015.02	972.91	972.91	
13	1180.09	1119.79	1092.45	1038.79	993.48	993.48	
14	1200.14	1142.69	1118.28	1087.64	1012.79	1012.79	
15	1211.85	1159.21	1128.10	1088.83	1020.30	1020.30	
16	1251.82	1189.18	1164.82	1101.67	1058.81	1058.81	
17	1277.60	1212.40	1187.96	1122.54	1079.83	1079.83	
18	1343.90	1272.02	1251.38	1179.56	1137.71	1137.71	

# Employees Promoted Between 09/18/2006 and 09/16/2007

Sal. Ord.	Hired Prior Thru 11-22-78	Hired On 11-22-78 Thru 11-18-79	Hired On 11-18-79 Thru 12-12-82	Hired On 12-12-82 Thru 10-27-85	Hired On 10-28-85 Thru 05-22-88	Hired On 05-23-88 Thru 09-18-90	Hired On 09-17-90 Thru 09/19/93
2	\$1040.17	\$1006.13	\$988.72	\$955.15	\$912.72	\$874.79	\$826.26
3	1047.50	1012.77	994.87	961.52	917.26	879.16	830.06
4	1058.94	1022.97	1002.98	960.52	924.95	896.53	
5	1081.17	1040.97	1019.86	982.48	939.43	907.14	
6	1082.06	1046.84	1025.94	987.67	944.18	916.33	
7	1088.23	1053.42	1028.10	990.48	944.92	925.58	
8	1103.78	1057.82	1032.35	983.30	947.73	934.84	
9	1129.89	1081.28	1050.80	1011.89	966.14	958.89	
10	1138.40	1087.09	1057.22	1014.97	969.31	969.21	
11	1166.66	1114.29	1084.83	1035.93	992.50	982.50	
12	1185.43	1128.67	1097.29	1045.47	1002.10	1002.10	
13	1215.49	1153.98	1125.22	1067.69	1023.28	1023.28	
14	1236.14	1176.97	1149.75	1089.68	1043.17	1043.17	
15	1246.21	1187.81	1159.88	1098.83	1050.91	1050.91	
16	1289.37	1224.83	1189.78	1134.72	1088.51	1088.51	
17	1315.93	1248.77	1223.62	1158.22	1112.22	1112.22	
18	1384.22	1310.16	1288.83	1214.97	1171.64	1171.64	

## **6. Overlapping Salary Ranges**

The Corporation and the Union agree that neither party, in any arbitration proceeding involving the correctness of the classification of an employee, shall argue as the basis of their respective positions that the salary of an employee in the overlap portion of the classification salary range should be determinative of the correctness or incorrectness of the classification of the employee.

## **7. "Red Circle" Employees**

An employee whose base salary exceeds the maximum rate authorized for the classification and grade assigned shall have any general or improvement factor increase calculated as a percentage of the maximum rate applicable to the employee's classification/grade and not on the employee's "red circle" salary.

## **8. Learner Classifications**

Classification Nos. 50100, Learner - Drafting - Body; 52100, Learner - Drafting - Chassis; 54800, Learner - Model Maker; and 70100, Learner - Drafting - Electrical, are primarily intended for employees who perform elementary assignments in their respective areas of work within such classifications, thereby, providing an opportunity for them to acquire the necessary degree of skill and proficiency required for promotion to their respective basic classifications. An employee on one of the above designated classifications shall be advanced to a higher classification in the employee's respective area of work within a one (1) year period unless there are unusual circumstances which would require the employee to spend

additional time on the respective Learner classification to acquire the necessary degree of skill and proficiency required for promotion to the respective basic classification. The Engineering Staff shall make periodic reviews of the performance of each employee in Classification Nos. 50100, 52100, 54800 and 70100, so that the employee is advanced to the appropriate higher classification upon attaining the required degree of skill and proficiency.

## **9. Chassis and Electrical Checking Classifications**

In determining the propriety of applying Classification No. 52000, Product Designer II or Classification 70900, Electrical Designer II to individual employees who, on a regular and recurring basis, are checking designs and layouts, such determination will be based on the nature, scope and complexity of the checking duties. Classification Nos. 52000 and 70900 will not be deemed inappropriate solely because such employee is not creating designs of major components and making complete and comprehensive designs or performing preliminary and advance work in the development of designs.

## **10. "A" Level Classifications - Manufacturing Engineering**

If an employee on an "A" level classification is transferred to a "B" level job having the same title as the "A" level classification from which the employee is being transferred, such employee will continue to be classified on the "A" level classification and will continue to receive the same salary unless the "B" level job to which the employee is transferred is in another plant in which

event the employee's salary shall be determined in accordance with the Inter-Plant provisions of the Salary Grades and Progression Application Supplement as applied to the grade of the employee's "A" level classification, and if the employee is subsequently returned to a bona fide "A" level job in the employee's classification, the employee's salary will then be determined in accordance with Section (4)(d) of the Intra-Plant provisions of the Salary Grades and Progression Application Supplement as if the employee were being transferred to a higher grade.

## **11. Clerk-Typist**

The Corporation is willing to review with the Union those jobs in which the Union claims a minimal amount of typing is actually performed, and for which reason the Union claims such jobs do not need a fully qualified typist. If the investigation shows that an employee has sufficient typing ability to justify the typing needs for such jobs and is otherwise able to perform the job, then the Corporation will not disqualify such employee solely because of failure to meet the speed and accuracy requirements for a fully qualified typist.

In agreeing to this review, the Corporation does not waive its right to require employees to meet the requirements of a typing test nor does it waive its right to determine that a job does, in fact, require the capabilities of a fully qualified typist.

## **12. Tabulating Machine Operator**

The Corporation, upon receipt from the Union of the name of an employee classified on Classification No. 13700, Tabulating Equipment

Operator - Junior, who the Union claims is performing the duties of Classification No. 13800, Tabulating Equipment Operator - Senior, will review the actual job duties of such employee. If the results of the review show that the employee is performing work of an advanced nature, then the Corporation will not base its determination relative to the proper application of Classification No. 13800 to such employee solely on the degree of the board wiring duties of the employee's job.

### **13. Classification No. 37500, Analyst - Parts Cost**

Classification No. 37500, Analyst - Parts Cost, grade 6, is applicable to employees whose primary duties on a continuing basis are as set forth in the salaried position description, dated December 8, 1952 for Classification No. 37500.

### **14. Transfer to Class 37700, Trainee - Parts Pricing**

(a) An employee on one of the below listed grade 8 classifications in the Accounting Department at the Chrysler Parts Division, Center Line, who is transferred to Class 37700, Trainee - Parts Pricing, grade 6, for the primary purpose of training for Class 37600, Pricing Compiler - Service Parts, grade 9, shall continue to be paid, so long as the employee remains in training on Class 37700, as the employee would have been paid had the employee remained on the former grade 8 classification.

<b>Class No.</b>	<b>Title</b>	<b>Grade</b>
05100	Cashier - Factory or Driveway	8
05300	Clerk - Billing	8
05400	Clerk - Bookkeeping	8
05500	Clerk - Cost	8

05600	Clerk - Company Work Orders	8
05700	Clerk - Invoice	8
05800	Clerk - Payroll - Hourly	8

(b) Classification No. 37700, Trainee - Parts Pricing, grade 6, is applicable to employees selected for the purpose of training for Classification No. 37600, Pricing Compiler - Service Parts, grade 9. Personnel will remain on Classification No. 37700 for the length of the training program.

An employee placed on Classification No. 37700 who has previously worked on Classification No. 37500, Analyst - Parts Cost, grade 6, will receive credit for time worked on Classification No. 37500 toward the required training time on Classification No. 37700 in accordance with the following:

<u>Number of Months Worked on Class No. 37500</u>	<u>No. of Months Credited Toward Completion of Required Training Time on Class No. 37700</u>
1	0
2	1/2
3	1
4	1
5	1-1/2
6	2
7	2-1/2
8	3
9	3
10	3-1/2
11	4
12	5
13	5
14	5-1/2
15	6



16	6
17	7
18	8
19	8-1/2
20	9
21	9-1/2
22	10

## 15. Phase-Up Classifications

During the course of National Negotiations since 1971, the Corporation and the Union have agreed on a number of phase-up classifications and methods of administering such classifications as follows:

(a) An employee who has actually worked for the Corporation on the base classification for the stipulated length of time shown on the Phase-Up Classification and Requirements Chart shall be reclassified to the appropriate phase-up classification provided the employee has performed satisfactorily on the base classification.

(b) Where indicated in the "Other Requirements" column, time spent on classifications other than the base classification will be combined for credit for reclassification to the phase-up classification, provided the employee has performed satisfactorily on these other classifications.

(c) Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to this Memorandum of Understanding.

(d) Only the period of time during which the employee worked for the Corporation and was

actually classified on the required classifications as reflected in the employee's personnel records, shall be included except as provided in (e)(ii) below.

(e) (i) Only the time worked since the employee's last date of hire with the Corporation shall be counted. Time worked on appropriate classifications prior to a permanent break in Corporate service or seniority shall not be included. Time spent on temporary separations such as layoff, illness or injury, or other leaves of absence during which the employee was temporarily separated from the active roll shall not be counted as time worked on the classification.

(ii) A returning veteran who, prior to entering military service had been assigned to a C-E-T classification which has phase-up applications, may have such applicable service time credited for phase-up purposes as time actually worked on the classification of record at the time of the military leave of absence. Such credited time will be applied only if the veteran was employed by Chrysler Corporation on such classification upon entering military service and reinstated on the same classification upon completion of military service.

(f) Time worked on other salary or hourly classifications, no matter how similar in nature to the appropriate salary classification, and regardless whether or not such salary or hourly job may have been accepted in lieu of a layoff, shall not be included as time worked on the appropriate salary classification.

(g) Time worked on appropriate salaried classifications shall include time worked at all

Corporate locations as reflected in the employee's personnel records, and shall include time worked in bargaining unit and/or non-bargaining unit positions.

(h) For purposes of determining time actually worked on a classification, a full month of credit will be given for those months in which an employee works the majority of workdays in the month. Credit for days worked will be given for regular vacation days. Only the days actually worked in the Monday through Friday workweek shall be counted. Overtime days, days for which Salary Continuation payments are made, or other absence, including casual absences, will not be considered as days worked.

(i) Reclassifications to the appropriate higher level classification will become effective on the first regularly scheduled working day of the bi-weekly pay period beginning nearest to the first of the month following completion of the requirements for advancement to such classification.



**DAIMLERCHRYSLER CORPORATION**  
**CLERICAL-ENGINEERING-TECHNICAL**  
**18-GRADE STRUCTURE**  
**Effective 9/22/2003**

Grade	Minimum	Top	Maximum
		Progression Rate	
1	\$735.94	\$1059.29	\$1059.29
2	738.15	1075.04	1075.04
3	741.41	1089.10	1089.10
4	796.13	1119.95	1119.95
5	812.71	1167.62	1167.62
6	821.78	1200.88	1200.88
7	8827.73	1224.39	1224.39
8	835.36	1251.86	1251.86
9	856.03	1275.10	1275.10
10	864.17	1156.51	1312.23
11	884.14	1174.92	1335.85
12	892.34	1189.67	1363.74
13	910.50	1221.68	1390.42
14	927.55	1243.65	1432.11
15	934.17	1256.52	1455.71
16	962.78	1286.81	1493.76
17	980.32	1302.73	1530.24
18	1027.11	1372.82	1567.38

**DAIMLERCHRYSLER CORPORATION**  
**CLERICAL-ENGINEERING-TECHNICAL**  
**18-GRADE STRUCTURE**  
**Effective 9/19/2005**

Grade	Minimum	Top	Maximum
		Progression Rate	
1	\$755.94	\$1080.48	\$1080.48
2	758.15	1096.54	1096.54
3	761.41	1110.88	1110.88
4	816.13	1142.35	1142.35
5	832.71	1190.97	1190.97
6	841.78	1224.90	1224.90
7	847.73	1248.88	1248.88
8	855.36	1276.90	1276.90
9	876.03	1300.60	1300.60
10	884.17	1179.64	1338.47
11	904.14	1198.42	1362.57
12	912.34	1213.46	1391.01
13	930.50	1246.11	1418.23
14	947.55	1268.52	1460.75
15	954.17	1281.65	1484.82
16	982.78	1312.55	1523.64
17	1000.32	1328.78	1560.84
18	1047.65	1400.28	1598.73

**DAIMLERCHRYSLER CORPORATION**  
**CLERICAL-ENGINEERING-TECHNICAL**  
**18-GRADE STRUCTURE**  
**Effective 9/18/2006**

Grade	Minimum	Top	Maximum
		Progression Rate	
1	\$786.34	\$1112.89	\$1112.89
2	788.55	1129.44	1129.44
3	791.81	1144.21	1144.21
4	846.53	1176.62	1176.62
5	863.11	1226.70	1226.70
6	872.18	1261.65	1261.65
7	878.13	1286.35	1286.35
8	885.76	1315.21	1315.21
9	906.43	1339.62	1339.62
10	914.57	1215.03	1378.62
11	934.54	1234.37	1403.45
12	942.74	1249.86	1432.74
13	960.90	1283.49	1460.78
14	977.95	1306.58	1504.57
15	984.57	1320.10	1529.36
16	1013.18	1351.93	1569.35
17	1030.72	1368.64	1607.67
18	1079.08	1442.29	1646.69

## **MEMORANDUM OF UNDERSTANDING SALARIED WORKERS' EMPLOYMENT SECURITY SYSTEM**

The Corporation and the Union are committed to enhancing the job security of DaimlerChrysler Corporation employees. The parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness.

Accordingly, the parties have agreed to this Salaried Workers' Employment Security System (SWESS) Program, and have pledged to work together consistent with this Program and other provisions of the National Agreements to enhance the Corporation's competitive position.

The cornerstone of the SWESS is a commitment to certain pre-determined salaried workers' employment levels (SWELs), a series of SWEL Benchmark Minimums, and protection against indefinite layoff for eligible employees as expressly provided herein.

### **I. SCOPE OF SALARIED WORKERS' EMPLOYMENT SECURITY SYSTEM**

#### **Salaried Workers Employment Levels**

(A). Salaried Workers Employment Levels (SWELs) (i.e., numbers of eligible employees or positions covered by this program as defined herein) initially shall be established as of the effective date for each Unit as listed in the Index of Units contained in the Office, Clerical and Engineering Agreements.



The 1999 Initial SWEL for each Unit was determined as being equal to the sum of 1) the number of active employees with one or more years seniority at work and on-roll in the Unit, or Group on the effective date; 2) the number of active employees with less than one (1) year of seniority occupying SWEL slots on the Effective Date; and 3) the number of unfilled new hire obligations as of the Effective Date due to application of the outsourcing/new hire provisions of the 1999 Agreement (Article II (B) 2,c.). Such active employees will be SWEL eligible and the term active employee will include an employee at work as well as an employee not at work who is:

1. on vacation,
2. receiving bereavement pay,
3. on jury duty,
4. on any leave of absence of ninety (90) days duration or less,
5. on temporary layoff, and
6. any other employee having a direct attachment to the active workforce.

### **SWEL Benchmark Minimums**

(B) A series of SWEL Benchmark Minimums will be established for each Unit effective September 30, 2003 equal to 90% of the Unit's Initial Salaried Workers' Employment Level as of the Effective Date of the 1999-03 Agreement. These newly established Benchmark Minimums will then remain fixed for the duration of the new Agreement, except for other adjustments (e.g., operations transferred) required under the Agreement.

### **Covered Event**

(C) A covered event hereunder is any event that absent the protection provided herein, would

cause the layoff of one or more SWEL eligible active employees for any reason except those actions or events specified in Section I.D. below.

The obligation to provide benefits hereunder shall not arise unless one (1) or more covered events would otherwise result in a reduction or further reduction during the term of this Agreement, in the number of SWEL eligible active employees.

**Excluded Events**

(D). No employee will be laid off during the term of this Agreement except for the following reasons:

1). Volume related declines attributable to market related conditions as described in SWESS Letter (85), SWESS Program - Volume Related Layoffs- SWEL, not to exceed forty-eight (48) weeks (inclusive of vacation shutdown weeks except for shutdowns taken during periods of model change-over or plant rearrangement) over the term of this Memorandum of Understanding;

2). Acts of God or other such reasons beyond the control of the Corporation;

3). The sale of a part of the Corporation's operations as an on-going business;

4). Where the employee has been recalled or reassigned to fill an opening known in advance to be temporary; or

5). Model change or plant rearrangement until the employee otherwise would have been recalled.

An employee impacted by any of the above reasons is, if otherwise eligible, covered by the

appropriate Supplemental Agreements which are attached to the National Agreement as Exhibits.

(E). The number of employees Protected by the Salaried Workers' Employment Security System will be the equivalent of the employees within the SWEL who would otherwise have been laid-off as a result of any event other than those described in Paragraph I.D.

## **II. ADJUSTMENTS TO THE SWEL - ELIGIBILITY**

Following the initial determination of a Unit SWEL, it will be adjusted as follows:

(A). An employee shall become SWEL-eligible for any of the following reasons, at which point the Unit SWEL will be increased by one (1) position for each such employee: (1) an employee in the active workforce, as defined by Paragraph I.A. who had less than one (1) year seniority on the effective date of the Agreement who subsequently attains one (1) year of seniority; (2) an employee with one (1) or more years seniority who is recalled, except if recalled to satisfy the SWEL, and who is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the Effective Date; (3) an employee with less than one (1) year seniority is recalled, except if recalled to satisfy the SWEL, who subsequently attains one (1) year seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the Effective Date; (4) an employee newly hired/rehired after the Effective Date who attains three (3) years seniority; (5) an employee deemed to be eligible, recalled or newly hired in order to satisfy a SWEL Benchmark

Minimum. Notwithstanding the above, the National Job Security, Operational Effectiveness and Sourcing (JSOES) Committee is authorized to establish special mechanisms, including SWEL eligibility provisions for the purpose of attracting new work.

(B) The Unit SWEL will be reduced for the attrition of eligible employees who quit, retire or die.

(C). Unit SWELs and Group SWELs (if appropriate) will be adjusted in the event of a transfer of operations or consolidations between Units on a one-for-one basis by reducing the sending Unit's SWEL and increasing the receiving Unit's SWELs by the corresponding number of jobs involved in the transaction. Similarly, corresponding adjustments will also be made to the SWEL Benchmark Minimums of each affected Unit and Group.

(D). Each employee who leaves the Bargaining Unit for a permanent Non-Bargaining Unit salaried position will be replaced immediately with no effect on the Unit SWEL. For each Non-Bargaining Unit salaried employee returning to the bargaining unit, the Unit SWEL will be increased by one (1). The transfer of an employee between Hourly and Salaried Bargaining Units will cause the Unit BEL or SWEL for the Bargaining Unit receiving the employee to increase and the other to decrease.

(E) SWEL-eligible employees off roll will maintain their eligibility upon reinstatement.

(F) Notwithstanding the above, SWEL Benchmark Minimums will not be established for a facility determined to be closing.

## **(G) SWEL Benchmark Reviews/Actions**

1. Following the last pay ending of each month and within ten (10) working days of the following month (SWEL Benchmark Review), the number of SWEL-eligible employees in each Unit and Group shall be compared to the Unit's and Group's corresponding SWEL Benchmark Minimum. Adjustments will be made consistent with the provisions of this Memorandum, and attrition replacement obligations will be fulfilled as set forth below.

2. When the number of SWEL-eligible employees in the Group exceeds the Group Benchmark Minimum, attrition will be replaced on a one-for-two basis by recalling employees on layoff in accordance with the procedure described in Section (3)(b) below.

3. When the number of SWEL-eligible employees in the Group would otherwise fall below the Group Benchmark Minimum, attrition will be replaced on a one-for-one Group basis by the following actions in order to maintain eligible employment at the Benchmark Minimum:

a. First, by allowing an ineligible active seniority employee at the affected facility to become eligible.

b. Second, by recalling employees on layoff from that facility, and employees on Return to Home Plant. Next, the highest seniority volunteer on the combined Labor Market Area List would be called, in accordance with Section III(D). If there are no employees on that list, the employee with the highest seniority between the Out of Labor Market Area List and the Return to Former Labor

Market Area List would fill the opening on a voluntary basis.

c. Or third, by hiring new employees up to the net number of jobs outsourced minus those insourced (as defined in MOU-10 of the Agreement and determined by the National Committee) subsequent to the Effective Date. Such positions will be filled on a Unit SWEL basis no later than ninety (90) days following the SWEL Benchmark Review, except when the affected Unit is encountering market-driven, volume-related layoffs or has employees in protected status for reasons other than sourcing actions.

4. Notwithstanding the above, the net outsourcing/new hire obligation provided in Section (3)(c) above shall be activated earlier than required therein if and when the number of SWEL-eligible employees is less than the greater of: (1) the SWEL Benchmark Minimum for the quarter; or (2) 90% of the Group's Snapshot SWEL under the 1999 Agreement.

5. If, after fulfilling the above requirements, subsequent attritions would cause the number of SWEL-eligible employees in the Group to fall below the Group's Benchmark Minimum, attrition will be replaced on the following basis:

a. When the number of SWEL-eligible employees is greater than 90% but less than 100% of the Benchmark Minimum, one (1) new employee will be hired for each three (3) attritions.

b. When the number of SWEL-eligible employees is greater than 80% but less than 90% of the Benchmark Minimum, one (1) new employee will be hired for each two (2) attritions.

c. When the number of SWEL-eligible employees is below 80% of the Benchmark Minimum, one (1) new employee will be hired for each one (1) attrition.

d. Such positions will be filled on a Unit SWEL basis no later than ninety (90) days following the SWEL Benchmark Review, except when the affected unit is encountering market-driven volume-related layoffs or has employees in protected status for reasons other than sourcing actions.

6. Employees recalled, hired or rehired to fulfill the above obligations may be assigned within their Unit at Management's discretion, subject to applicable seniority provisions of the Agreement.

In the event there are any hire obligations that remain unfilled 120 days after the SWEL Benchmark Review upon which they were established, including new hire obligations carried forward from the 1999-03 Agreement, the National Committee at the direction of the Vice President-Director of the UAW DaimlerChrysler Department and Senior Vice President-Employee Relations, DaimlerChrysler Corporation, will jointly determine how, where and when these obligations are to be fulfilled, taking into account the current and future hiring requirements of the affected Unit and other Units, the cyclical nature of demand in the industry, the timing of product plans and insourcing actions, and a joint commitment to fulfill these obligations as expeditiously as possible.

7. In the event new hire obligations are fulfilled through the placement of new employees at a Unit other than the one at which the obligations were created, SWELs for the respective Units will

be adjusted on a one-for-one basis, by reducing the SWEL at the Unit where the openings occurred by the number of new hire fulfillments and correspondingly increasing the SWEL(s) at the Unit(s) where the new hires were placed. Similarly, offsetting adjustments will also be made to the SWEL Benchmark Minimums of each affected Unit.

If on the adjustment date the SWEL number results in less than a whole number, the Engineering Method of Rounding will be used to determine the SWEL.

### **III. PROTECTED EMPLOYEES**

A. If an event, other than those described in I.(D), would otherwise cause the number of SWEL eligible employees to be laid off, the employees so Protected as provided for in I.(C), will be placed on Protected status, after application of the seniority provisions of the National and Local Seniority Agreements.

B. The parties recognize that covered events may occur during the course of this Agreement that will cause the number of SWEL Protected employees to exceed the Corporation's production requirements. The parties recognize further that the scope of this Program requires flexibility with regard to the assignment of such employees and the selection of employees for training. In this regard, the Local Job Security, Operational Effectiveness and Sourcing Committee will insure that assignments are made on a basis consistent with the seniority provisions of the Collective Bargaining Agreement and local Seniority Agreement, while also meeting plant needs, minimizing workforce disruption and enhancing the



personal growth and development of employees. After a decision by the Local Committee, an available Protected employee may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another employee, (3) placed in a job opening at another DaimlerChrysler Corporation-UAW plant or unit provided there is no employee on layoff with a seniority recall entitlement to such opening, and no employee on layoff in the same labor market area who would otherwise be entitled pursuant to Section (54), of the National Agreement, unless otherwise directed by the National Committee, (4) given a job assignment within or outside the bargaining unit which may be non-traditional, (5) placed in an existing opening or (6) given other assignments consistent with the purposes of this Memorandum of Understanding.

C. For in the Labor Market Area Placement, job opportunities will be filled in seniority order from a combined list of Protected and laid off employees in the same Labor Market Area. The number of Protected employees made available for placement cannot exceed the number of employees who have been laid off for the duration of the forty-eight (48) week volume related layoff limit. For placement purposes, employees on the Labor Market Area list will be offered, in seniority order, the opportunity to volunteer for openings based on a canvass at the time of layoff or placement into Protected employee status. Volunteers will be placed in seniority order. Absent volunteers, the junior employee on the combined Labor Market Area list must transfer to the new location. The Unit SWEL will be increased by one (1) at the location to which the employee is transferred, and reduced by one (1) at the location from which the employee transferred, unless the

transfer satisfied the SWEL, in which case the SWEL will remain the same at both locations.

Employees permanently transferred to another location may remain at the secondary location until laid off from that location, at which time they may elect options available under Section 54(c) of the National Agreement, or elect to return to their "home" unit under the terms and conditions of the Memorandum of Understanding - Return to Home Plant (Office and Clerical only).

A Labor Market Area is comprised of all plants within a fifty (50) mile radius of a given plant or larger as may be agreed upon by the National Job Security, Operational Effectiveness and Sourcing Committee.

Out of Labor Market Area employees will be offered the opportunity to volunteer. If the employee refuses the opportunity, he/she will remain at his/ her facility.

D. In the event there is an opening due to a volume increase, the highest seniority available Protected employee, seniority permitting, will be placed in this opening, unless the Local Committee determines the employee should first complete the employee's current assignment. If seniority employees are on layoff from that plant, a number of such employees, equivalent to the number of Protected employees placed in openings due to volume increases, will be recalled from layoff. A Protected employee transferred to another DaimlerChrysler-UAW plant due to a volume increase who is subsequently laid off from the secondary plant due to a volume decrease will be returned, should he/she so elect, to available

openings at the employee's home plant, seniority permitting.

E. A layoff caused by an event described in I. (D) will have no impact on the number of Protected employees except for an employee who is protected from a layoff attributable to a market-related volume decline in excess of forty-eight (48) weeks (inclusive of vacation shutdown weeks except for shutdowns taken during periods of model changeover or plant rearrangement). In such instances, those Protected employees having the least seniority will be laid off and replaced by an equivalent number of greater seniority employees who would otherwise have insufficient seniority to remain in the plant.

F. The parties agree that any non-traditional work outside of a bargaining unit, which has historically been performed by non-represented personnel, given to a represented employee who is Protected, shall not be used by the Union as a basis for a claim of Erosion of said work in i) any other instance or job where the same or similar work is performed by non-represented personnel, or ii) when such assignment is terminated and the work is returned and/or continued by non-represented personnel.

G. A Protected employee will continue to receive his/her regular straight-time salary. In the event a Protected employee is assigned to another classification, the employee will receive the rate of pay as provided by the National Agreement.

H. Protected employee assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for

assignments to fill openings resulting from volume increases. Experience gained from these temporary assignments will not be used to advantage such employees over other employees for selection to fill permanent vacancies, nor will such employees have seniority in the department to which they have been temporarily assigned.

I. An employee replaced by a Protected employee will receive his/her regular straight-time salary, and will be returned to the same classification and job assignment upon completion of the replaced employee's assignment. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed pursuant to the applicable provisions of the Local Supplemental Seniority Agreement.

J. If an employee would have been promoted or transferred pursuant to Sections (60) or (61) of the National Agreement or placed in an Apprentice Program were it not for participation in a training assignment provided by this Program, the employee will be so transferred upon completion of the training assignment. In the event the employee would have been selected for an Apprentice assignment, or if entering a new non-interchangeable occupational group, the employee's date of entry will be adjusted as if the employee's assignment had not been delayed.

K. While it is suggested that a replaced employee returned to a job assignment under this Program will be credited with all overtime hours the employee worked while out of the equalization group, but not with the overtime hours the employee would otherwise have worked in the group had the employee not been replaced by the

Protected employee, the issue will be resolved by the local management and the local unit. In the event they are unable to reach a mutual resolution, the aforementioned suggested mechanism shall apply.

L. A training assignment will be voluntary on the part of an employee being replaced by a Protected employee, unless such training is to develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.

M. Subject to the direction of the National Committee, no Protected employee will be temporarily assigned to a job outside of the bargaining unit unless on a voluntary basis except for those employees subject to Section (52)(c), Engineering Group Layoff Procedure.

Outside the Labor Market, permanent transfers of Protected employees are voluntary. Such an employee will remain Protected at his/her facility upon refusal to transfer.

N. A Protected employee who is permanently transferred out of the Labor Market Area in accordance with this Paragraph, or if so transferred later accepts a recall at a former location, will be eligible to receive a relocation allowance as provided in the Exhibits to the National Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated. Married applicants may initially apply for the "single employee" amount and within one (1) year, the balance of the "married amount," when their families are relocated. Applicants may receive a maximum of two (2) such relocation allowance

payments during the term of this National Agreement. A Protected employee temporarily transferred out of the Labor Market Area who does not change permanent residence as a result of the transfer will receive reasonable transportation and living expenses for the duration of the assignment. Any problems connected with the above may be raised with the National Committee.

O. In the event the National Committee determines that the number of Protected employees exceeds the number of expected openings at the plant or units within its Labor Market Area within the next succeeding twelve (12) months, Special Programs as set forth in Attachment A may be triggered upon prior approval of the National Committee. There-after, to the extent Protected employees still exceed expected openings, such employees, under the direction of the National Committee, may be transferred out of the Labor Market Area pursuant to Section III.M., above. The National Committee may also explore the extension of Attachment A to other locations to create job opportunities for excess Protected employees within the Labor Market Area.

P. Earnings, including wages and wage related payments, received by employees while on Job Security assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected employees, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions and FICA will be charged against the maximum liability amount. Moving allowance payments and the cost of benefits provided under Attachment A of the Memorandum of Understanding will not be charged against this liability. Earnings received

and the cost of benefits and other payments made on behalf of protected employees while assigned to fill permanent job openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.

Q. Charges against the Corporation's liability will commence with the first payments made to eligible employees and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Corporation and will be available to the Union at appropriate times.

#### **IV. ADMINISTRATION OF THE SALARIED WORKERS' EMPLOYMENT SECURITY SYSTEM**

The Corporation and Union agree that:

(A). At each bargaining unit covered by this National Agreement, a Local Job Security, Operational Effectiveness and Sourcing Committee will be established to administer the Program.

(B). The membership of the Committee will consist of the local Plant Manager, or the manager's designated representative, and other representatives selected by Management on behalf of the Corporation. On behalf of the Union, the membership will consist of the Local Union President and the affected Unit Chairperson or President.

(C). The duties of the Local Committee will be:

1. Review Local employee accessions and separations relative to the Unit Salary Workers' Employment Level (SWEL) provided for in Paragraph 1(A).

2. Review the number and status of available Protected employees on a monthly basis, specifically noting the potential impact on this group of attritional and volume related events, as well as future manpower requirements. Other pertinent subjects as mutually agreed upon may also be considered proper subjects for discussion.

3. Monitor the initial placement of an employee whose job is impacted by an event covered in Paragraph I.(D).

4. Monitor the placement of Protected employees. In this regard consideration should be given to both the nature and duration of the assignment following the guidelines contained in this Memorandum of Understanding. Coordinate with the National Committee the placement of an employee outside the job or Labor Market Area as defined in Paragraph III.(D).

5. Monitor permanent layoffs caused by the events described in I.(D).

6. Participate in discussions regarding sourcing decisions as outlined in Memorandum M-10 on the subject of sourcing.

7. Participate in discussions, in lieu of the Local parties referenced in the Memorandum of Understanding Regarding New Technology as it pertains to Salaried Workers, regarding the introduction of new technology as provided for in said Memorandum.



8. Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires to meet operational needs when other appropriate placement sources have been exhausted. The local parties are required to report monthly that appropriate communications have taken place; upon the request of the National Committee, the local parties may be required to provide detailed information to support their monthly joint reports.

9. Review the manpower requirements of forward product, facility and business plans, maintaining the confidentiality of the material being evaluated.

10. Plan and coordinate the assignment of Protected employees in their home unit, and with the National Committee the relocation of such employees to other plants or units in or outside the labor market area and the application of Special Programs to such employees and active workforce employees as described in Attachment A to this Memorandum of Understanding.

11. Design non-traditional work assignments for Protected employees where practicable both within or outside the bargaining unit.

12. Review any complaint regarding the administration of the SWESS Program. Refer unresolved complaints to the National Committee, utilizing the appropriate form. The National parties will limit the review of complaints to those raised, in writing, within sixty (60) days of a SWEL Benchmark Review or other event giving rise to the complaint unless the time limit is waived by the National Committee. Only those matters governing

the size of the active workforce, the Unit SWEL number, or governing the treatment of Protected employees will be subject to the Grievance Procedure. Such grievances will be filed at the Second Step of the Grievance procedure. In proper cases, where the sole issue of dispute is the ability factor of the grievant, the parties may mutually agree to submit the same to Special Arbitration pursuant to the "Authority" paragraph of M-7 of the National Salaried Agreement. All other unresolved complaints will be settled expeditiously between the parties at the national level.

Disputes arising from the following matters may be submitted within fifteen (15) days of a SWEL Benchmark Review to the Vice President and Director of the UAW DaimlerChrysler Department and the Senior Vice President of Employee Relations, DaimlerChrysler Corporation: (1) market-driven, volume-related layoffs; and (2) new hire obligations required pursuant to Section II(H). If unresolved, the dispute must be appealed to the chairman of the Appeal Board within thirty (30) days of receipt of the appeal. The chairman's decision shall be final and binding on the parties, and the chairman shall have the authority to enforce such decision, including the authority to order the Corporation to hire new employees required under Section II(H).

13. Jointly coordinate appropriate local training activities, working closely with both the Local and National Skill Development and Training Committees to ensure that quality cost efficient training is provided and appropriate funds are secured from both within DaimlerChrysler Corporation and from external sources.

14. Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities. When required, secure necessary approvals from the bargaining unit membership and the National parties.

15. Make recommendations to the National SWESS Committee, as appropriate, regarding any aspect of the Salaried Workers' Employment Security System. This may include any aspect of the contractual relationship between the Corporation and the Union that is relevant to the duties of the Local Job Security, Operational Effectiveness and Sourcing Committee.

16. Ensure that SWEL funds are used solely for the purposes for which the Program provides, i.e., specifically documented covered events as detailed in Section I.(C) of this Memorandum.

(D). A National Job Security, Operational Effectiveness and Sourcing Committee (Attachment B) will be established at the Corporation-International Union level consisting of representatives selected from the Corporation and representatives selected by the Vice President and Director of the DaimlerChrysler Department, UAW. Funding for the activities of this Committee will be provided by the UAW-DaimlerChrysler National Training Center.

(E). The National JSOES Committee will be responsible to the Senior Vice President - Employee Relations, DaimlerChrysler Corporation, and the Vice President and Director of the DaimlerChrysler Department, UAW, and will meet periodically as required to:

1. Monitor the efforts of the Local Committees.

2. Maintain liaison with the National Joint Skill Development and Training Committee to coordinate: a. placement efforts for Protected employees, b. assessment and training programs, and c. funding through the Local Joint Skill Development and Training Committee. Jointly develop appropriate training efforts working closely with the Local Job Security, Operational Effectiveness and Sourcing Committees to ensure that quality, cost efficient training is provided and appropriate funds are secured from both within DaimlerChrysler Corporation and from external sources.

3. Approve Local Committee efforts to improve operational effectiveness and coordinate these actions when appropriate.

4. Coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the movement of Protected employees within or between Labor Market Areas. For example, where a permanent loss of jobs has occurred or is scheduled for a location, the parties may discuss the transfer of employees to other locations; such a transfer could be in advance of the scheduled job loss, if it could be accomplished without adversely affecting quality or operating efficiency.

5. Act on requests from Local Committees to waive, modify or change National Agreement provisions when such action would result in the preservation or increase of job opportunities. Approvals of such requests will be counter-signed

by the Vice President and Director of the DaimlerChrysler Department, UAW, and the Senior Vice President - Employee Relations, DaimlerChrysler Corporation.

6. Make periodic reports to the Union and Corporate leadership regarding the operation of the Program.

7. Act as central administrative body for placement, utilization and training purposes of protected employees within the Detroit Area Labor Market.

(F). The National Job Security Operational Effectiveness and Sourcing Committee is specifically empowered to periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the term of this Memorandum.

## **V. FUNDING**

The Corporation and International Union agree that:

Notwithstanding the commitments set forth in this Memorandum of Understanding, the Corporation's total financial liability for the cost of the Salaried Workers' Employment Security System, to be calculated as agreed between the parties, shall not exceed \$50 million during the term of this Memorandum of Understanding, adjusted by any amounts shifted between the SWESS and SUB funds. In the event this liability is reached, Protected employees will be subject to layoff. Thereafter, to the extent that layoffs of such employees are required, the National Agreement and local supplemental seniority agreements will apply and eligible employees will receive benefit

treatment in accordance with the Exhibits to the National Agreement then in effect.

## **VI. EFFECTIVE DATE - TERMINATION DATE**

The Corporation and the International Union agree that:

(A). This Memorandum of Understanding will become effective at each bargaining unit covered by the 2003 National Agreement unless otherwise excluded, as of the effective date of the Agreement.

(B). This Memorandum of Understanding shall expire with the expiration of the 2003 National Agreement.

## **ATTACHMENT A**

The National Job Security, Operational Effectiveness and Sourcing (NJSOES) Committee may, from time to time and for specified periods, recommend the following Special Programs for designated eligible employees or may approve requests from Local Job Security, Operational Effectiveness and Sourcing (LJSOES) Committees for implementation of such Programs. Employees must apply within the application period determined by the local parties and approved by the National Job Security, Operational Effectiveness and Sourcing Committee.

### **SPECIAL PROGRAM #1 SWESS VOLUNTARY TERMINATION OF EMPLOYMENT PROGRAM**

The SWESS Voluntary Termination of Employment Program (VTEP) provides a

guaranteed lump sum benefit payment subject to the conditions and limitations contained herein. This Program is applicable to employees with at least one year of seniority who are at work on or after the effective date of the Agreement.

### **Description of Program Benefits**

<b>Years of Seniority As of Application Date</b>	<b>\$Amount</b>	<b>Allocation Period (Months)</b>
1 but less than 2	15,000	6
2 but less than 5	21,000	9
5 but less than 10	37,000	15
10 but less than 15	47,000	19
15 but less than 20	62,000	25
20 but less than 25	67,000	27
25 or more	72,000	29

The maximum gross amount of the benefit payable under this Program is \$72,000 for employees with 25 or more years of seniority.

In no event, however, shall the amount of a VTEP payment provided under this Program exceed such amount permissible under the Employee Retirement Income Security Act of 1974 (ERISA).

An employee who accepts a VTEP payment shall be provided with basic health care coverage for a period of six (6) months dating from the end of the month in which the employee last worked.

An employee eligible for an immediate pension benefit under the DaimlerChrysler Corporation-UAW Pension Plan at the time of his/her break in service (due to participation in a VTEP), shall upon completion of the Allocation Period and application for a pension benefit under the DaimlerChrysler Corporation-UAW Pension Plan become eligible for

post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the DaimlerChrysler Corporation-UAW Pension Plan, such employees shall not be treated as deferred vested by reason of their participation in a VTEP.

#### **VTEP Payment Offsets**

Any VTEP payment to an eligible employee will be reduced by the employee's outstanding debts to the Corporation or to the Trustees of any Corporation benefit plan or program, including any unrepaid overpayments to the employee under the SUB Plan, or GIS Program, Exhibits to the National Agreement.

#### **Effect Of Receiving VTEP Payment**

An employee who accepts a VTEP payment shall (i) cease to be an employee and shall have his/her seniority broken at any and all of the Corporation's plants or other locations as of the last day worked subsequent to the date his/her application for a VTEP payment is received, ("Termination Date"), (ii) shall have cancelled any eligibility the employee would otherwise have had for a Separation Payment and/or Redemption Payment, (iii) shall not be eligible to receive a Special Early Retirement benefit under the DaimlerChrysler Corporation-UAW Pension Plan, and (iv) shall not be permitted to retire under the DaimlerChrysler Corporation-UAW Pension Plan for the number of months of the Allocation Period following the termination date.

An employee who receives a VTEP payment, and who is subsequently reemployed by DaimlerChrysler Corporation, will not be eligible for any future VTEP payments until the employee has five (5) or more years seniority following such



reemployment. No seniority used to determine the amount of a previous VTEP payment shall be used in determining a subsequent VTEP payment.

**SPECIAL PROGRAM #2  
SALARIED WORKERS' EMPLOYMENT  
SECURITY SYSTEM PENSION PROGRAM**

**General**

The National Committee may recommend that the DaimlerChrysler Corporation-UAW Pension Plan be amended by letter agreement to provide a special early retirement window for any employee who is at work or is a Protected employee on or after November 19, 1990 and is between the ages of 55 and 61 who has ten (10) or more years of credited service under the DaimlerChrysler Corporation-UAW Pension Plan. Such retirement would provide unreduced basic benefits for the life of the retiree, temporary benefits payable in accordance with the provisions of the DaimlerChrysler Corporation - UAW Pension Plan and any supplements, they may be entitled to based on the provisions of the DaimlerChrysler Corporation-UAW Pension Plan and SERP and the employee's age and credited service. The annual earnings limitation provisions of the supplements shall not be applicable to any Special Early Retirement.

**ATTACHMENT B**

**GOALS AND OBJECTIVES OF JOB  
SECURITY AND OPERATIONAL  
EFFECTIVENESS**

The Corporation and the Union recognize that quality and operating efficiency are inextricably wed to job security, and that a high level of quality and

operating efficiency requires mutual respect and recognition of each other's problems and concerns. Accordingly, in addition to the Local Job Security, Operations Effectiveness and Sourcing (JSOES) Committee's responsibilities for the SWEES Program and participation in discussions provided in related Letters of Understanding, each committee will focus on cooperative efforts toward our common goal to improve the effectiveness of operations and remove barriers to improvements, increase job opportunities and fully utilize the work force. The Local Committees will jointly develop a plan through an exhaustive analysis of the location's operational efficiency.

Within (6) six months of the effective date of the Agreement, each Local JSOES Committee will review with Divisional/Group Management and the International Union the overall competitiveness of the location's products and their plans indicating actions, and/or changes needed to improve quality and efficiency at their location and to stimulate job security of the existing work force and attract new work. Such plans must then be approved by the National JSOES Committee.

The National Committee will oversee implementation and administration of these Job Security, Operational Effectiveness and Sourcing Plans. Members of the National Committee will meet jointly with Local Committees to discuss the importance of job preservation and job creation, reasons for the commitment to increase operational efficiency, suggest possible topics for consideration, and encourage good-faith efforts to develop and implement meaningful local plans.

In the event there are any hire obligations that remain unfilled 120 days after the SWEL Benchmark Review upon which they were established, including new hire obligations carried forward from the 1999-03 Agreement, the National Committee at the direction of the Vice President-Director of the UAW DaimlerChrysler Department and the Senior Vice President-Employee Relations, DaimlerChrysler Corporation, will jointly determine how, where and when these obligations are to be fulfilled, taking into account the current and future hiring requirements of the affected Unit and other Units, the cyclical nature of demand in the industry, the timing of product plans and insourcing actions, and a joint commitment to fulfill these obligations as expeditiously as possible.

The National Committee will be available on an ongoing basis as a resource to Local Committees and will review progress at the local level at least on an annual basis.

In these efforts, it is recognized that a great deal of initiative and imagination will be required by the local parties. While not intended to limit such innovation, the following are examples of appropriate areas the local parties may address:

1. Identification of investments in the facility or equipment necessary to improve product quality or operational effectiveness;
2. The establishment of joint work efforts to achieve common goals;
3. The identification of non-labor cost savings and efficiencies;

4. Procedures and plans to review past outsourcing and outside contracting decisions, and identify opportunities for insourcing and new business;

5. The examination of new forms of work organization, such as job assignments relating to Just-in-Time or other quality enhancement systems;

6. Procedures to review supervisory staffing and support for the initiatives in this Job Security, Operational Effectiveness and Sourcing section of the SWESS Program;

7. Initiatives to reduce excessive absenteeism;

8. Procedures for improved access by the Local Joint Committee to product plans and other information affecting employment security and operational effectiveness, assuring confidential treatment of such information;

9. The establishment of work tasks and assignments that fully utilize employees;

10. The examination of alternative work schedules which provide greater employment opportunities.

Efforts of the local parties to improve operational effectiveness may require change or waiver of certain agreements or practices. It is understood that any such waivers, modifications or changes would not be effective unless agreed to by the local parties involved and approved in writing by the Union Relations Staff of the Corporation and the DaimlerChrysler Department of the Union. Such changes would be effective only at the location(s) specifically designated.

## MEMORANDUM OF UNDERSTANDING SOURCING

During the 2003 negotiations the Union raised numerous concerns about the Corporation's sourcing actions and the impact on employment opportunities. To that end, the Corporation will work with and assist the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing action, and to create jobs for Protected employees and laid off employees. It is the Corporation's intention to grow the business by increasing market share through new product offerings, and to continue to rely upon its employees and facilities as the source of its products. However, the opportunity to grow the business may be limited by market conditions, or the availability of funding for new product investment. The Corporation agrees to incorporate the procedures and structure outlined herein when making sourcing determinations during the 2003 Agreement.

### National Committee Members

The parties have agreed to maintain the National Job Security, Operational Effectiveness and Sourcing Committee (National Committee), comprised of Corporation and Union representatives. The National Committee shall be co-chaired by the Vice President and Director of the DaimlerChrysler Department, UAW (or his designated representative) and the Senior Vice President of Employee Relations (or his designated representative). The members of the National Committee shall have specific responsibility for

interfacing with individual vehicle Product Teams (their equivalent and/or successors).

### **Product Team Sourcing Meetings**

The Corporation and Union representative for each Product Team will meet on an as required basis, as frequently as weekly, but no less than twice a month.

In order to facilitate these discussions, the Corporation shall also appoint one (1) Product Team Specialist from each Product Team to ensure that information regarding Product Team sourcing is provided on a timely basis to the designated UAW Sourcing Representative for the respective Product Team while new or redesigned vehicles are being developed, and to serve as the Corporation representative through whom the UAW Sourcing Representative may arrange for a meeting to present their competitive in-house alternatives to Corporation sourcing decisions. In addition, the Product Team Specialist shall be responsible for advising the UAW Sourcing Representative of meetings, which may occur as frequently as weekly, but no less than twice monthly, and assuring access to same, regarding Corporation sourcing decisions. The Product Team Specialist will also provide notice of potential make/buy studies, along with prototype and related salaried sourcing information. With such early access to and involvement in the sourcing decision-making process, the UAW Sourcing Representative shall be able to develop an in-depth understanding of their respective Product Team's sourcing patterns along with the possible impact which sourcing decisions may have on the hourly and salaried bargaining unit(s). They shall meet upon request with senior members of the Product Team so as to

gain information and knowledge and to provide input into sourcing patterns and sourcing determinations for that Product Team.

### **Pre-Program Start**

In order to involve the UAW Sourcing Representatives at the earliest stages of the product creation cycle, quarterly discussions will be conducted with the Vice President of Advance Vehicle Engineering (AVE) and/or Product Strategy, at the Pre-Program Start phase.

### **Program Start Meeting**

During these negotiations, the Union expressed concern relative to full involvement at the earliest stages of the decision-making process. To that end, the Corporation Product Team Specialist shall inform the respective UAW Sourcing Representative of New Major Vehicles or Major Redesigned Vehicles at the Program Start Meeting. Information discussed at this meeting will typically include program objectives, CDS quality gate dates, marketing objectives and customer requirements, and potential assembly and stamping plant loading capability.

### **Chrysler Development System (CDS)**

It is imperative that sourcing discussions and notification become an effective and trusted tool. It is recognized that early involvement by the UAW in the CDS process will greatly enhance the chances for mutual success and will not jeopardize the product creation objectives of quality, speed to market, product innovation, and lower total cost.

The Corporation's continuing objective is to further compress the CDS process timeframes and improve speed to market. The timing for achieving various CDS process quality gate dates will

fluctuate depending on the risk inherent in each product program. Therefore, future sourcing notification timing will vary uniquely with each program on a case-by-case basis. Specific CDS quality gate target dates will be disclosed at the Program Start Meeting. The reality of variable program timing and ongoing system change dictates frequent and structured communication for effective sourcing discussion and notification.

### **Supplier Selection Period**

The International Union will be notified in writing by the Corporation of plans to proceed with a new or redesigned vehicle, sub-system or component part. At or around the completion of the Preliminary Program Specifications (Rahmenheft) date, provided in the Program Start Meeting, the National Committee Co-Chairs, Administrative Assistant(s) to the Vice President and Director of the DaimlerChrysler Department, UAW, Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing, other designated senior management representatives, and the appropriate UAW Sourcing Representative(s) shall be provided a Program Overview by senior Product Team management. Such information shall include a review of current sourcing patterns, including the names of suppliers producing components for the current vehicle, any possible changes in assembly, sub-assembly, stamping, power train and other component sourcing patterns which have been identified by the Product Team, possible insourcing opportunities, targeted market and cost objectives, and technology which may impact the represented workforce.

All contemplated sourcing decisions which impact tooling programs, process changes, die



construction, die design, tool design, stamping tooling, assembly tooling, processes, technology and design and prototype work at Assembly, Stamping, Power Train and Component manufacturing locations shall also be provided subsequent to the Program Overview. With the information provided during the Program Start Meeting, Program Overview and subsequent meetings, and as appropriate during the meeting cycle with the UAW Trades Effectiveness Coordinator, the UAW Sourcing Representative may provide input or alternatives to sourcing pattern(s) during the Supplier Selection Period which coincides with the Program Start Meeting and the Final Program Specifications (Lastenheft) date. If, during these meetings, issues between the UAW Sourcing Representative and their respective Product Team cannot be resolved, the matter may be referred to the National Sourcing Council (Council) for early resolution. The Council shall consist of the Vice President and Director of the DaimlerChrysler Department, UAW, Administrative Assistant(s) to the Vice President and Director of the DaimlerChrysler Department, UAW, Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing, Executive Vice President of Manufacturing, Executive Vice President of Product Development, Vice President of Corporate Quality and Senior Vice President of Employee Relations, and other appropriate designates. The Council may meet to review issues brought to their attention by either party in the interest of reaching a resolution which serves the mutual goals and competitive challenges of the parties.

#### **Final Program Specifications (Lastenheft)**

Assuming the Program has received approval, on or around the completion of the Final Program

Specifications (Lastenheft), the UAW Sourcing Representatives and UAW Trades Effectiveness Coordinator shall be provided updated and confirming sourcing documentation of the types provided during the Supplier Selection Period as notification of contemplated changes in sourcing patterns. The Corporation's Product Team Director of Program Management and Product Team management will also supply a copy of such documentation to the Union Relations Sourcing Administration office. This documentation, which will provide the design and engineering sourcing information and prototype sourcing information where different than the production source, shall be forwarded to the appropriate Salaried Local President or Unit Chairperson.

National Committee representatives will monitor sourcing, address sourcing concerns, as well as monitor and oversee employment levels and the administration of the SWESS Programs. They shall be provided timely access to all data, including financial and cost information, to evaluate potential sourcing actions and their impact on UAW-represented jobs.

The National Committee shall meet on a quarterly basis. At the quarterly meeting, data regarding work brought in-house and work outsourced will be provided and discussed. Moreover, the members of the National Committee shall be advised of all Appropriations Requests as they are received, including the number of potential jobs affected. (In addition to providing hard copies, the Corporation will provide a summary of this data on a computer disk.)

### **Roundtable Meeting**

An annual Roundtable Meeting will be conducted involving senior management from Source Planning, Procurement and Supply, Product Strategy, Engineering, Manufacturing, Union Relations and the National Committee and the leadership from the UAW DaimlerChrysler Department. The agenda for meetings will include a review of vehicle plans for assembly, stamping, power train and components. Related Source Planning actions to support these plans also will be the subject of the meeting.

It is understood that the Corporation's frank discussion with the Union about sourcing and related plans may require the Union to keep information confidential until the Corporation consents to its release. The Corporation, on its part, also agrees not to use the results of such discussions to obtain more attractive contract terms from outsiders in lieu of keeping the work in-house.

### **Power Train Meeting**

An annual Power Train Meeting will also be conducted by senior management from Power Train Operations for the National Committee and the leadership from the UAW DaimlerChrysler Department. The agenda for meetings will include a review of the Power Train Long Range Plan (LRP) and the anticipated effect on Power Train plant product loading.

### **Sourcing Rationale**

The rationale for sourcing actions will consider the following criteria: the degree to which the Corporation's resources can be allocated to further capital expenditures, cost, technology, timing, quality, statutory requirements, proprietary rights, overall financial stability of affected facilities,

occupational and related environmental health and safety issues, the impact on related facilities, and the impact on long-term job stability. Other factors considered by the Corporation before a final sourcing decision is made will include the effect on employment, and job and income security costs on both a short and long-term basis. Such criteria shall give equal weight to the full impact of a sourcing action on DaimlerChrysler Corporation-UAW represented employment levels and the job and income security of DaimlerChrysler Corporation-UAW represented employees. The National Sourcing Committee may form Joint Task Forces to ensure full implementation of such criteria throughout the Corporation and, on an as needed basis, to address any specific sourcing areas of concern identified by the Union.

The National parties will jointly further develop the above criteria to be used to address sourcing issues. In developing financial criteria, appropriate Corporate return on investment and burden will be considered. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability.

#### **Local Committee**

The appropriate member(s) of the National Committee will assist the Local Job Security, and Operational Effectiveness and Sourcing Committee (Local Committee) in implementing the provisions of the Sourcing Memorandum. If the parties cannot resolve a sourcing issue, the Local Union may file a grievance at the third step of the regular Grievance Procedure. If the grievance cannot be resolved, the grievance may be appealed to the Appeal Board in accordance with the Grievance Procedure. In the event the Appeal Board is unable to resolve the issue, it may be appealed to the Impartial

Chairman. The Impartial Chairman can only provide a remedy where he finds that (1) a violation of the express commitments set forth in this Memorandum has been established; (2) the established violation resulted from the exercise of improper judgment by Management; and (3) any employee who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a result of work being outsourced or not being brought in-house. The Impartial Chairman's remedy shall be limited to back wages for the affected employees, and the recall and/or placement of affected employees on regular productive work.

### **Temporary Offloading**

When a temporary offloading action is being contemplated, the Plant Manager or his designate will provide to the President of the Local Union, a written notice containing the reasons under consideration for the temporary offloading at that location. The notice of the offloading action will be given as soon as practicable, consistent with the reasons such offloading becomes necessary and expected date of return. Copies of this notice also will be provided to the UAW Assistant Director responsible for sourcing and other National Sourcing Council members.

Temporary offloading notification is not intended to provide a means for circumvention and abuse of the normal outsourcing notification procedures outlined in this Agreement. Should circumstances arise that an offloading action may be viewed as no longer temporary, the local parties will meet to discuss their respective concerns relative to the projected return of the work. Should these issues remain unresolved at the Local Union and Plant Management level, such matters shall be

referred to Corporate Union Relations and the Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing in an attempt to reach a resolution. If after discussions, it is deemed appropriate, the Corporation shall forward a copy of the temporary offloading notice to the Vice President and Director of the UAW DaimlerChrysler Department.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of UAW members:

### **Insourcing**

The National Committee and, where appropriate, the Local Committee will discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which the Union identifies as that which might be performed competitively within the location based on the criteria outlined above.

To assist in this process, the International Union will be furnished a complete list of work similar to that currently performed at the location that (1) has been outsourced from that location, or (2) is currently performed by non-DaimlerChrysler UAW suppliers for DaimlerChrysler Corporation. These lists will be updated and will include the suppliers' location (city and state), union affiliation and the supplier contract expiration dates, if any, and will be furnished on an annual basis during the second quarter. The parties will initiate efforts to insource particular work consistent with the aforementioned criteria to create prospects for growth and to provide jobs for Protected employees and employees on layoff.

If it is established that certain work can be performed competitively, judged by the above criteria, Management will adopt the Committee's proposal and, barring unique or unforeseen circumstances, bring the work in-house. The Union shall obtain any necessary approval or ratification within thirty (30) days of the decision to bring the work in-house.

### **Outsourcing**

Outsourcing as used herein means the Corporation's sourcing of work from DaimlerChrysler Corporation UAW locations, including work connected with current, new or redesigned vehicles, fabricated parts, power train, component products, dies and fixtures.

If changes to the published and distributed sourcing pattern are contemplated at any time during the vehicle development or production cycle through the initiation of make/buy studies, or when any change in sourcing direction for a process unrelated to vehicle development is contemplated, the International Union, the UAW Sourcing Representative, and the Local Union at the affected location will be given written notice. When the Source Planning function, or the equivalent function at either the Corporate, Division, plant level, vehicle engineering or manufacturing engineering contemplates an outsourcing decision, the International Union, the UAW Sourcing Representative, and the affected Local hourly and salary Unions will be provided written confirmation of the action. The notice shall be provided to the Union as far in advance as possible or promptly following approval, and consistent with the timing requirements of the product's development cycle. The notice will provide, on a confidential basis, the reason for the outsourcing, a description of the

work involved, the number of jobs affected on both a short-term and long-term basis, if known, at both the affected facility and any other DaimlerChrysler Corporation-UAW represented facility, the identification of the sourcing authority, the quality status of the recommended supplier, and all financial and cost information. Proposals to keep the work in-house will be made by the Union within ninety (90) days of the receipt of written notice.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in the Memorandum of Understanding, Management will, barring unique and unforeseen circumstances, keep the work in-house. The Union shall thereafter obtain any necessary approval or ratification within thirty (30) days of the decision to keep the work in-house.

Where make/buy study findings do not impact the current sourcing pattern, the notice of contemplated sourcing will be withdrawn.

When such an outsourcing decision is contemplated at any level of the Corporation, the written notice will be given to the Vice President and Director, DaimlerChrysler Department, UAW. A copy of such notice will be given to the Chairperson of the Local Committee at the same time.

When such a contemplated outsourcing decision is initiated by the Corporation at a level external to the affected location(s), the Corporation will provide sufficient advance written notice to allow the designated Management representative at the affected location(s) to comply with the notification procedure.



Additionally, International Union and Local Union input will be sought by the Corporation as early as possible in the outsourcing decision making process. The intent of the evaluation period and Union input being sought as early as possible is to allow for more thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of employees and the financial viability of given Corporate locations.

The Corporation will not enter into a contractual relationship with a non-DaimlerChrysler UAW supplier until such time as the designated Management representative of the impacted location provides written verification that the above notification procedure and discussion by the Local Committee has taken place.

The Corporation agrees to a full disclosure to the International Union of the procedures utilized in the sourcing decision-making process.

Full implementation of the processes contained with-in this Memorandum should provide the parties the mechanisms to take advantage of every opportunity to use internal resources.

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## **DRUG TESTING**

### **(Return to Work from Substance Abuse Related Medical Leave - Illegal Drugs and Unauthorized Prescription Drugs)**

During these negotiations, the Corporation and the Union discussed their firm commitment to helping employees who are affected by substance abuse problems. In particular, the parties reviewed circumstances pertaining to an employee returning to work from substance abuse related medical leave of absence who is still using illegal drugs or unauthorized prescription drugs. The parties agreed that permitting such an employee to return to the work place jeopardizes the employee's safety and the safety of fellow employees. It also hampers the ability of the Corporation and the Union to meet today's challenges, including the ability to achieve continuous improvement in quality, safety, customer satisfaction, and operating effectiveness.

To address this problem, the parties agreed that drug testing will be included as part of physical examinations for each employee returning to work from a first substance abuse related medical leave for treatment of illegal drugs or unauthorized prescription drug use or dependency. For purposes of this Memorandum, only medical leaves occurring after the effective date of the 1996 Agreement will be considered.

Drug testing will be conducted in accordance with established Corporation practice, and the reason for conducting the test and the test results will be strictly confidential and will be made known

only to the employee, the Managed Care Program (Help-line) or the employee's Health Maintenance Organization (HMO), whichever is applicable, plant physician, and plant Employee Assistance Program (EAP) representatives having a business reason to know.

An individual who tests positive for illegal drugs or unauthorized prescription drugs will not return to work except under conditions set forth below. To facilitate recovery, the employee will be referred to the Managed Care Program (Help-line) or the employee's Health Maintenance Organization (HMO), whichever is applicable, and the Employee Assistance Program for assessment and/or follow-up. Upon meeting the objectives of the prescribed course of treatment and a negative drug test the employee may return to work, but will be subject to drug testing for the following twenty-four (24) months, it being understood that such testing will be conducted no more frequently than six (6) times in any twelve (12) month period. The decision as to when an employee must have such a drug test will be made by the plant Medical Department, and will not be a supervisory determination. If the employee subsequently tests positive for illegal drugs or unauthorized prescription drugs, the employee will not be allowed to continue work and will be placed on medical leave. Criteria for returning to work following this subsequent medical leave will be as described above.

The 1996 Letter of Understanding, Employee Assistance Program, reads in part: "Employees with alcoholism, drug dependency, emotional or personal problems will be able to seek help voluntarily without having to be concerned that their employment status will be affected because they

have sought help for such problems." This provision notwithstanding, any employee who has three (3) positive return-from-medical leave tests within any three (3) year period may return to work after the third positive test only if, in addition to meeting the criteria specified above, that employee agrees to a twelve (12) month waiver which will in part require the following:

- (1) Drug testing during the period of the waiver.
- (2) Termination upon a positive drug test result.
- (3) No access to the grievance procedure to protest the reasonableness of any penalty, including discharge, as the result of a positive test for illegal drugs or unauthorized prescription drugs during the twelve (12) month period.

Other terms and conditions of the waiver may be determined locally by the Company and the Union.

Any employee who refuses assessment, treatment, or testing in accordance with the provisions of this Memorandum of Understanding will be treated as though the employee had tested positive.

Employees affected by the above provisions would continue to be subject to the same standards of performance and conduct expected of any other employee.

The parties will meet within thirty (30) days after ratification of this Agreement for the purpose of modifying administrative procedures under this Memorandum.

Individuals who are subject to Department of Transportation or other legally mandated testing will be tested in accordance with specifically developed procedures in addition to the procedure set forth above. In the event of a conflict between the provisions of the Memorandum of Understanding and the Company's legal requirements, the legal requirements shall prevail.

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CORPORATION

By Jack Laskowski

By T. Gallagher

## **MEMORANDUM OF UNDERSTANDING RETURN TO "HOME" UNIT**

The parties recognize that some employees placed pursuant to Section (54) of the National Office and Clerical Agreement may have the desire to return to their "home" unit. The parties recognize also that, in affording such employees the opportunity to return, it is necessary to do so in a manner consistent with the maintenance of quality and efficiency in both the releasing and receiving units. Accordingly, the purpose of this Memorandum is to provide methods and procedures and to detail the circumstances whereby eligible employees will be offered the opportunity to return to their "home" unit.

1. Eligible employees are those active employees who have been assigned to a unit other than their "home" unit pursuant to Section (54) of the National Office and Clerical Agreement. Eligible employees are further defined as those placed:

a. Prior to the effective date of the 1996 Agreement who were not offered an opportunity to return to their "home" unit pursuant to the work opportunity for laid off employee provisions of Section (54) of the National Office and Clerical Agreement,

b. Subsequent to the effective date of the 1993 Agreement and who have worked at least six (6) months at the new unit.

2. Eligible employees may file an application to return to their "home" unit at the Employment Office on or after their anniversary of the sixth (6th) month following placement. Employees will be provided a copy of their application.

3. Eligible employees who have applied to return to their "home" unit shall be placed (in seniority order) on a "return home" list at the "home" unit.

4. Each unit will maintain an applicant listing for use by the local parties.

5. Should a unit with a "return home" list have employment requirements, it will combine its Protected employees, "return home" list and recall list (if any) in seniority order and recall from such combined list until its needs are met or such combined list is exhausted. Should the combined list be exhausted and additional employment required, it will fill further openings in accordance with other applicable agreements between the parties and then by hire.

6. Should an employee return to his "home" unit under the provisions of paragraph 5 above, the employee will forfeit seniority rights at the "releasing" unit. Should an employee, having requested return under paragraph 2 above, subsequently refuse an offer of return, the employee shall lose seniority at all units of the Corporation except the unit at which he is working.

7. It is recognized that the unit from which the eligible employee is released must do so in a manner consistent with the maintenance of quality and efficiency. Accordingly, no eligible employee will be released until a fully trained replacement is

available. Consistent with these principles, it is recognized that the rate at which employees are released may vary due to the types of jobs held by "returnees", the availability of replacement personnel, product or new model launch, releasing unit staffing requirements, etc. In all cases, Management will endeavor to release employees as quickly as possible. Disputes regarding this issue may be referred to the Corporation's Employee Relations Staff and the UAW's National DaimlerChrysler Department for resolution.

8. Employees transferring pursuant to the provisions of this Memorandum will be placed on available work and will not be eligible to alter the vacation schedules in effect at the time of their return.

9. An employee accepting transfer will be eligible to receive a relocation allowance as provided in the Exhibits to the National Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated.

10. The parties recognize that the provisions of this Memorandum have complex administrative implications. Accordingly, claims of violation are not subject to the Grievance Procedure but instead may be referred to the Corporation's Employee Relations Staff and the UAW's National DaimlerChrysler Department for resolution.



## **Memorandum of Understanding Health and Safety**

### **I. Joint Commitment to Health and Safety**

This Memorandum of Understanding supplements the National Engineering, Office & Clerical Agreements between DaimlerChrysler Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and certain of its Local Unions dated September 29, 2003 as follows:

WHEREAS, no subject is of greater concern to the Corporation and the Union than the physical well-being of employees in DaimlerChrysler's facilities, and in our recent negotiations no subject received or deserved a higher priority than promoting safe and healthful working conditions in the facilities; and

WHEREAS, the parties agree that an on-going program, in which both will participate and cooperate, will aid in achieving this objective; and

WHEREAS, the Corporation shall have the obligation to continue to make reasonable provisions for the safety and health of its employees during the hours of their employment; and

WHEREAS, the Union shall cooperate with the Company's efforts to carry out its obligations,

NOW, THEREFORE, it is hereby agreed as follows:

## **II. Corporation Responsibilities**

The Corporation agrees to:

(a)--Recognizes its obligation to provide as safe and healthful a working environment for employees as it reasonably can and both parties agree to use their best efforts, jointly, to achieve that end. Responsibility for health and safety matters remains, however, with the Corporation.

(b)--Provide annual training for members of the Local Joint Committee on Health and Safety hereinafter referred to as the Local Committee and appropriate education and training in health and safety for all employees and the regular replacement representatives. In addition to initial instruction, members of the Local Committees will receive specialized training appropriate to the nature of the work performed in their facilities. The International Union's DaimlerChrysler Department will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations.

(c)--Provide access to the Union member of the Local Joint Committee on Health and Safety the following reference material available to the Management member of the Local Committee such as:

National Safety Council Publications  
Governmental Standards on Health and Safety  
Corporate Health and Safety Bulletins  
Trade Publications  
Publications of Local Safety Councils

(d)--Provide by March 1 of each year to the health and safety professionals of the International Union's staff a copy of OSHA Form No. 300 as it is now constituted, and the corresponding manhours worked and incidence rate for each facility.

### **III. National Joint Committee on Health and Safety**

A National Joint Committee on Health and Safety (NJC) will be established, consisting of three (3) representatives of the International Union appointed by the Director of the Union's DaimlerChrysler Department, and three (3) representatives of the Corporation appointed by the Senior Vice-President of Employee Relations of the Corporation, herein referred to as the National Committee. Each party will appoint at least two (2) members who have professional training in industrial hygiene or safety. This Committee shall:

(a)--Meet at least quarterly at mutually agreeable times and places. Minutes will be prepared for each meeting and a copy given to the International Union members.

(b)--Review the Corporation's safety and health programs and make necessary or desirable recommendations.

(c)--Develop and recommend to the Corporation an appropriate annual training program to be established for Union members of the Local Committees.

(d)--Develop and recommend to the Corporation guidelines for employee training and education.

(e)--Review and analyze federal, state or local standards or regulations which affect the health and safety programs within the Corporation. In the event that a governmental institution modifies a standard, regulation, guideline, and/or exposure limit, the NJC will discuss, in advance, if practicable what impact, if any, such change may have upon DaimlerChrysler health and safety programs.

(f)--Review problems concerning serious or unusual situations affecting facility health and safety and make necessary or desirable recommendations.

(g)--Receive, review and analyze the injury and illness data for all facilities that the Corporation is now required to compile on OSHA Form No. 300 as it is now constituted with corresponding manhours worked and incidence rate.

(h)--Receive and deal with matters referred to them by Local Committees.

#### **IV. Health and Safety Review Board**

A Health & Safety Review Board is established in those locations outlined in V.(A) which consists of the appropriate Vice President or their designated Division representative and the designated representative of the Vice President and Director of the DaimlerChrysler Department-UAW. Also, the Review Board shall include the appropriate Manager, appropriate Human Resource Manager, Local Union President, International Servicing Representative, and the National Joint Health and Safety Committee. The Review Board may convene at the request of the NJC, generally within two (2) weeks after a fatality, to review results of

the initial investigation and develop and recommend appropriate improvements in health and safety practices within the facility where the incident occurred and at other facilities where deemed proper within that division. The National Joint Health and Safety Committee will provide technical support to the Board and monitor compliance to directives requiring the enactment of preventive measures. The primary tool to accomplish their objective will be a complete safety hazard analysis of the job or operation involved:

## **V. Local Committee**

### **(A) Establishment of Local Committee and Representation**

A Local Committee will be established at DaimlerChrysler Technology Center (Local 412, Units 1, 3, 10, 11, 14, 15, 32, 53, 57, 77, 80) and Chelsea Proving Grounds, and Local 889 (all Detroit area units) consisting of one (1) representative appointed by the Management and one (1) representative appointed by the Director of the Union's DaimlerChrysler Department. The maximum number of hours per week in which the Union member of each Local Committee will be allowed to perform their functions shall be determined on the basis of the number of hourly employees in their facility in accordance with the following schedule:

Number of Employees	Hours Per Week
600 or more	40
250 to 599	8
Less than 250	4

In our other facilities where there are UAW salaried represented employees, the basic principles of this Memorandum of Understanding, except those provisions pertaining to Local Committees and tours by Local Representatives, shall apply to our office, clerical, engineering and technical employees. Their interests and/or concerns shall be represented by the Union Representative of the Local Committee.

#### (1) Hours of Work

Adjustments with respect to the maximum number of hours each Union member of the Local Committee will be allowed to perform their functions shall be made twice each calendar year, (1) effective the second pay period in May, based on the number of employees on the active roll in the facility on the third Wednesday of the preceding month of April, and (2) effective the second pay period in November, based on the number of employees on the active roll in the facility on the third Wednesday of the preceding month of October. The Director of the Union's DaimlerChrysler Department shall advise the Corporate Union Relations Staff in writing of the names of the appointees and the facility in which each is assigned. No Union member of a Local Committee shall function as such until the Corporation is so advised. The Union member of the Local Committee shall serve an indefinite term and shall be replaced only with the concurrence of the National Joint Committee on Health and Safety as hereinafter provided for. The Union member will receive training as outlined hereinafter, without cost to them.

#### (2) Regular Replacement

(a)--In the event the Union member of the Local Committee is absent for one (1) week or more, the member may be replaced by an employee who has been designated as the regular replacement by the International Union with the concurrence of the National Joint Committee on Health and Safety, provided, where possible, the Union member of the Local Committee has given local Management advance written notification of the expected absence of the regular Union member. The regular replacement will be allowed to function in the absence of the Union member of the Local Committee when such absence is occasioned by the Union member's absence for the annual joint training conference. As soon as practical following the effective date of this Agreement, the International Union shall provide to the Corporation the names of the employees who have been designated by the International Union as regular replacements.

(b)--Notwithstanding paragraph (a) above, the Union member of the Local Committee may be replaced by the regular replacement when the member is absent for less than a week to investigate work related fatalities, serious accidents, and, in accordance with V(C), conditions involving imminent danger when such fatalities, accidents or conditions occur during the Union member's absence. In proper cases, the Union member of the Local Committee may be replaced by the regular replacement for absences of less than one (1) week and (i) management receives advanced written notification of such absences and (ii) the absence is due to a vacation leave of absence, illness, or casual absence for one (1) full shift.

When replacing the Union member of the Local Committee, the regular replacement shall be subject to all the provisions of the Agreement applicable to the Union member of the Local Joint Committee on Health and Safety.

### **(3) Part Time Health and Safety Representative Obligations**

(a)--It is understood that the Union member of each Local Committee who does not qualify under the schedule herein to perform their functions forty (40) hours per week has a regular job to perform and that they will advise their Supervisor on each occasion when it is necessary for them to leave their regular job in order to function as a member of the Local Committee. The Union member of the Local Committee shall be permitted to meet in the regular meeting of the Plant Shop Committee and, at the request of the Local Union President, attend Special Conferences during the portion of such meeting or conference when health and safety issues or grievances thereon are discussed.

(b)--It is understood that the Union member of each Local Committee will be paid only for such time spent in performing their functions as occurs during the time when they are otherwise scheduled to work.

(c)--When a Union member of the Local Committee is permitted less than forty (40) hours a week away from work the designation of such time shall be made by mutual agreement between the Local Union and the Local Management.

### **(4) Overtime Scheduling**



The Union member of the Local Committee will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in their department and when so scheduled shall not perform their function as a Union member of the Local Committee; provided, however, when three hundred (300) or more, or more than 50% of the regular work force on their shift in a facility of 600 or more hourly employees are scheduled to work during hours for which they are entitled to receive premium pay under either Section (69) or Section (70) of the National Engineering and Office and Clerical Agreements, the Union member of the Local Committee for that facility will also be scheduled to work and to function as Union member of the Local Committee during such hours. In addition, they shall be scheduled when new equipment and/or major process changes are being installed or tried out which may affect employee safety and one hundred (100) or more of the employees on their shift are scheduled to work.

#### (5) Function Under Reduced Workforce Conditions

During a reduction in the work force in a facility of six hundred (600) or more employees the Union member of the Local Committee shall be permitted to perform the functions of the office when fifty percent (50%) or more of the people on the member's shift are working, except that during a reduction in force due to model change or facility rearrangement the member shall be permitted to perform the functions of the office when one hundred (100) or more of the employees on the member's shift are working.

#### (6) Conduct

The privilege of the Union member of a Local Committee to perform their duties during regular working hours is subject to the following conditions; (a) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of the Memorandum and the privilege shall not be abused and (b) that if it is necessary for a Union member of a Local Committee to speak to an employee about a health and safety matter they shall make prior arrangements with the employee's Supervisor to do so.

#### **(7) Working Hours**

The Union member of a Local Committee shall be assigned to the first shift.

#### **(B) Local Committee Functions**

The Local Committee shall:

(a)--Meet at least once each month at a mutually agreeable time and place to review health and safety conditions within the facility and make recommendations in this regard as they deem necessary or desirable. A summary list of items discussed shall be provided to the Union member of the Local Committee.

(b)--Make weekly systematic inspections of the facility, as provided hereinafter, to assure that there is a safe, healthful and sanitary working environment in each facility.

(c)--Accompany Governmental Health and Safety inspectors and International Union Health and Safety professionals on facility inspection tours. Also accompany Corporate Health and Safety professionals on regular surveys and audits at the

facility and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys. In facilities of less than six hundred (600) employees, the time spent by the Union member accompanying such inspectors and professionals shall not be charged against the members weekly allotted hours.

(d)--Be notified in advance, of health and safety inspections by private agency officials, and licensed inspectors required by statute or by consultants retained by the Corporation, and whenever possible by Government officials including state, city and county code enforcement, and be afforded an opportunity to accompany such officials or consultants and provide any pertinent information to them. A copy of such reports, including those of insurance inspectors, will be provided, upon request, to the Local Health and Safety Committee regarding violations of applicable local, state, or federal code or standard violation(s).

(e)--Be informed of lost work day accident cases, review results of the facility safety investigation of such accidents and make any necessary or desirable recommendations. Investigate work related fatalities and serious accidents, and upon request, review completed OSHA Form No. 301 reports or their equivalent. When such events occur during the 2nd or 3rd shift, the Management member of the Local Committee will endeavor to notify the Union member, inform them of the facts, and arrange upon request, for them without pay to enter the facility and investigate such events.

(f)--Receive a copy of the facility's report on OSHA Form No. 300 and the facility's manhours

worked and the incidence rate for the pertinent period.

(g)--Periodically review the OSHA 301 data in the Occupational Health Manager (OHM) computer system.

(h)--Periodically review deletions of cases from the OSHA 300 log and the rationale.

(i)--Periodically review the "54-08" report to ensure the correlation between Workers' Compensation cases and the OSHA 300 log.

(j)--Review, recommend, and participate in local safety education and information programs.

#### **(C) Imminent Danger**

When either member of the Local Committee has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be communicated without delay to the committee members so that a joint investigation can be conducted immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

#### **(D) Information, Equipment and Resources**

##### **(1) Notification of Fatalities and Serious Accidents**

The Corporation agrees to:

Provide to the Union member of the Local Committee and to the National Committee prompt notification of fatalities and serious accidents.

## (2) Safety and Industrial Hygiene Equipment

(a)--Provide equipment for measuring noise, air contaminants, and air flow which will be available for use by the Local Committees. Proper arrangements shall be made to permit the Union member of the Local Committee to use the safety and industrial hygiene equipment available to the Management member of the Local Committee and in which the members of the Local Committee have received training.

(b)--Where necessary, measure noise, air contaminants, and air flow with approved direct reading equipment provided by the Corporation as set forth hereinafter. The Local Committee shall also use, or observe the use of appropriate industrial hygiene and safety testing equipment as required where available in the facility. Recirculation of air will not be permitted where employees' health and safety cannot be assured.

(c)--Permit the Union member of the Local Committee to participate in and observe Management measurement or sampling of the occupational environment. Whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000, Air Contaminants, Code of Federal Regulations, such information shall be entered in the employee's medical record. The Local Committee shall be informed in writing of such exposure and shall advise the employee. The Union member of the Local Committee shall also be informed in writing of the corrective action to be taken. In addition, in those instances where a breathing zone air sample is collected, the employee will be notified by the Local Committee of

the results which will be entered on the employee's medical record. Upon written request of the employee such results shall be provided to the employee or their physician.

### **(3) Use of Camera/Video Camera**

In those facilities in which a facility camera/video camera is available the Local Committee will be permitted its use as an aid in conducting joint investigations and inspections where special circumstances dictate the need, such as where photographs/video tapes are necessary to enable the Local Committee to adequately explain or describe serious safety or health problems to responsible facility management. The Local Committee may also use the camera/video camera to photograph health and safety items that are being referred to the NJC.

Upon request, the Union Member of the Local Committee will be provided with copies of photographs/video tapes which relate to health and safety matters in the facility. Such photographs/video tapes shall remain the property of the Corporation and shall be for the internal use of the Local and National Joint Committees only and shall not be reproduced, published or distributed.

### **(4) Place To Work**

Each facility will make available to the Union member of the Local Committee a place where the member can write reports or review health and safety material. In addition, the member will be provided a filing cabinet or drawer to keep health and safety material.

## **(5) Mortality Data**

Local Committees may request the mortality experience pertaining to the facility they represent. Such requests will be referred to the NJC for prompt response using information available to the Corporation. The NJC will investigate coding programs for injury/illness cases to determine the feasibility of making information more useful for identifying potentially hazardous conditions. If feasible, such a system will be implemented at each facility.

## **VI. Research**

The Corporation agrees to permit the NJC to continue to be responsible for evaluating the need for occupational safety and health research, including additional projects to be designated. Such research is to be conducted after the mutually selected Scientific Advisory Committee has approved the protocol and the feasibility of the research. The results of research conducted within DaimlerChrysler facilities will only be used for purposes specifically authorized by the NJC. The NJC will be responsible for prompt communication of research findings to affected employees.

## **VII. Training**

### **(A) Training Program Design**

The Corporation agrees to provide additional joint health and safety training to enhance the safety awareness, hazard recognition and technical skills of DaimlerChrysler employees covered under the terms of this agreement. To assure basic uniformity, the NJC will develop guidelines to be

used by the facilities and Local Committees to design training programs to meet local needs. The NJC will also develop a system to review and approve health and safety training programs. In addition, the NJC will establish needs assessment and evaluation processes to determine and evaluate existing and future training programs.

The NJC will pursue the most cost effective means for developing effective training programs. Further, the NJC will explore the feasibility and practicability of sharing development costs on common programs with other joint Union-Company training centers.

**(B) Establishment of Joint Health and Safety Training Sub-Committee**

In that connection, a Joint Health and Safety Training Sub-Committee comprised of two (2) representatives of the Corporation appointed by the Senior Vice-President of Employee Relations of the Corporation and two (2) representatives of the Union appointed by the Director of the Union's DaimlerChrysler Department will be established to serve as a resource of the NJC to assist in achieving the National Committee's training objectives.

**(C) Training Programs**

During the 2003 Negotiations, the parties discussed various potential subjects for training, including topics such as: leadership, roles and responsibilities, and general awareness, as contained within our Bringing Excellence to Safety Teams (BEST) program. We believe BEST has significant opportunities for breakthrough results



and are committed to its development and rollout. We also discussed the potential training topics that were more specific in nature to particular job functions. Accordingly, we agreed that the NJC shall evaluate the needs and define specific training programs for development and delivery during the term of this Agreement. Programs under consideration, subject to resources and funding allocation issues, are:

(1) general risk assessment and hazard control,

(2) skilled trades,

(3) non-routine use of powered material handling equipment,

(4) ladder safety,

(5) office health and safety, and

(6) non-routine jobs related to power generation and distribution, waste handling, and storage and distribution of hazardous liquids and gases.

(7) Update all existing training programs as necessary.

Jointly developed training efforts will be concentrated in the following areas:

(1) Hazard Communication training, including basic refresher training. In addition, the parties will conduct trial programs directed at chemical hazard communication issues concerning specific manufacturing and engineering processes.

(2) Skilled Trades safety training

(3) Union representatives and supervisors, and

(4) Local Committees.

## **(5) General Hazard Recognition**

**(6) The NJC will oversee additional programs in areas such as:**

- Refresher training for all employees in existing programs within three (3) years;**
- Annual Train-the-Trainer instruction in Health and Safety developed by the NTC;**
- Orientation training for new Health and Safety Representatives, regular replacement and Management members of the Local Committees;**
- Annual first aid, CPR and rescue technique training for confined space Rescue Team members and emergency response personnel;**
- Production safety awareness;**
- Hazard communication for machining operations;**
- Hand tools; and.**
- NTC Health and Safety Certification Training.**

## **(D) Job Specific Training**

**Continue to provide jointly developed health & safety training programs and job specific training of affected employees during scheduled work hours based upon the recommendations of the National Joint Health & Safety Committee.**

**It is understood that the parties will pursue a program development cost-sharing arrangement**

between General Motors, Ford and DaimlerChrysler.

#### **(E) Computer Training for Access to OSHA Data**

Provide access and training to the Local and National Committees through existing terminals to on line OSHA 301 and 300 data and reports of ergonomics activity and accident investigation status. During the 2003 Negotiations, the parties discussed the desire to provide refresher training on the Health & Safety information system to the UAW Health & Safety representatives. Training of designated users will be conducted at the Annual Health & Safety Conference. Initial and refresher training for the UAW Health and Safety representatives and the regular replacement on the H&S Information System (OHM) will be developed within ninety (90) days of the ratification of the Agreement. This training will be a self-tutorial model that users will be able to use at their worksite and the OHM Help Desk will be available for questions. Similar training will be conducted for the Ergonomic Analysts on the specific screens of OHM they may access.

#### **VIII. Ergonomics**

During the current negotiations, the parties discussed the comprehensive ergonomics program covering facilities under the National Production, Maintenance and Parts Supplemental Agreement which had been agreed to by the Corporation and the UAW.

The Corporation explained to the Union that Advance Manufacturing Engineering (AME) has developed a set of internal guidelines for ergonomics. These guidelines are contained within

the DaimlerChrysler Do's and Don'ts for Tool Design Standards and will be reviewed with the UAW DaimlerChrysler Department and the International Union. The parties understand the importance of implementing sound ergonomic guidelines at the earliest stages of the product/process development cycle. In that context, Design and Process personnel, including suppliers will review the principles of the DaimlerChrysler Do's and Don'ts and take them into account when working on advance programs. The Corporation will review the internal guidelines for ergonomics with the NJC every six (6) months.

The parties agreed that to facilitate proper control, training and communication of ergonomic factors, the various phases of the jointly developed ergonomics program will be applied to employees at all UAW represented facilities including Skilled Trades, O&C and Engineering Bargaining Unit employees.

#### (A) Coordination of Activities

The UAW-DaimlerChrysler National Training Center shall coordinate its ergonomic activities under the direction of the NJC with coordination of Corporate Occupational Safety and Health (OSH) and Advance Manufacturing Engineering ergonomic activities and provide on-going technical support to facility/PDC ergonomic efforts. Such support may include:

- a. Data collection and analysis
- b. Job analysis methodology
- c. Advanced job modification design
- d. Training for Ergonomics personnel
- e. Training for Engineering personnel

- f. Training for Medical staff in medical data management
- g. Communication of solutions/failures to other facilities
- h. Ergonomics program evaluation analysis and follow-up

The NJC will use the NTC to coordinate activities and disseminate information, as required, to facilitate on-going ergonomics efforts. The NJC will make recommendations to the Joint Activities Board regarding resources needed to implement these activities. Quarterly, Corporate OSH and AME shall report to the NJC, summarizing current ergonomics activities and future plans. Ergonomic Analysts will be required to complete the ergonomic certification training to be developed by the National Training Center.

#### (B) Local Ergonomics Committees

Each facility has established a Local Ergonomics Committee with the objective of introducing and exploring ways to reduce injuries and illnesses through the application of sound ergonomics principles. Upon request, the NJC shall assist the Ergonomics Committees in determining proper allocations of resources. The Local Health and Safety representatives will serve as co-chairpersons of the Local Ergonomics Committees as specified in the appropriate NJC directive. In the event Corporate Health and Safety representatives and/or Regional Safety/Ergonomic remediation specialists visit a facility to work on an ergonomic issue, they will coordinate their activities with the Local Co-Chairpersons.

Given the effect that ergonomic injuries may have on employees and the costs associated with Workers' Compensation, and to address the interrelationship between Workers' Compensation and ergonomic injuries in our Parts Distribution Centers and P&M facilities, we agreed to the following:

1. One (1) of the facility's Health & Safety trainers will be allowed time away from their job to perform ergonomic functions and to assist in reducing Workers' Compensation costs.

2. This individual shall be allowed to function in these activities up to forty (40) hours per week in P&M facilities and up to sixteen (16) hours per week for PDC operations.

3. This individual and a designated Workers' Compensation representative shall be members on the Local Ergonomics Committee. The Local Ergonomics Committee shall continue to function as initially established, and the local parties, including the Local Employee Participation Council (LEPC), are encouraged to ensure their committees are active and performing their intended responsibilities. A quarterly report of their activities will be submitted to the NJC.

4. This individual's duties are to be determined by the NJC.

5. Tools used in analyzing jobs shall include ErgoPal to identify general risk factors, the NIOSH 1981 Lifting Formula to look at lifting and lowering conditions, the Snook-Cirello Tables to evaluate push and pull motions, and the DaimlerChrysler manufacturing engineering ergonomic guidelines. Additional requirements will be assessed by the

Joint Study Committee defined in Letter (128) and reviewed by the NJC for approval.

6. The NJC shall annually review the program's performance and effectiveness and make appropriate modifications as required.

### (C) Control Measures and Skilled Trades

The parties agree, to the extent possible, to encourage the use of all reasonable control methods to prevent MSD's. Ergonomic remediation efforts may be based on the results of a variety of tools, including job analysis. Job analysis on skilled trades jobs will be performed as required. Members of the Local Ergonomics Committee will consider solutions within a combination of feasible controls such as:

- a. Re-design or re-orient parts, tools and equipment
- b. Use of mechanical devices or power tools
- c. Provide adjustable fixtures and work surfaces
- d. Job re-design

As interim measures pending engineering changes, or where engineering changes are limited in controlling risk factors, administrative controls and feasible work practices will be implemented. Members of the ergonomics committee could consider solutions for reduction of repetitive motions within a combination of feasible administrative controls such as job sharing and job rotation. The recommendations of the Local Ergonomics Committee shall be mutually agreed upon with the Plant Shop Chairman and the Labor Relations Supervisor. Problems not resolved at the local level will be forwarded to the National Joint

Committee for final resolution. Jobs considered potential candidates for administrative control practices will be reviewed by the health and safety trainer/ergonomic analyst to determine that the original condition will not be further aggravated. Any type of control established should be evaluated after three (3) months of its implementation to confirm its effectiveness.

#### (D) Job Analysis and Time Lines

Jobs will be identified as candidates for analysis by reviewing injury/illness and lost time data, including the "54-08" Report and appropriate OHM report(s). A good faith effort shall be made to conduct an initial job analysis, as required, within two (2) months of when a job is identified as having a potential MSD risk factor. Each facility will use a documentation process to record progress with ergonomic modification efforts. In that regard, a monthly report will be required of the Local Ergonomic Committee to be forwarded to Corporate OSH and the UAW DaimlerChrysler Department. Each facility shall implement feasible measures to control MSD risk factors. A good faith effort will be made to implement ergonomic solutions within a six (6) month time frame after the Local Ergonomics Committee determines that corrective action is required and it prioritizes the remediation. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. The Local Ergonomics Committee is to develop a "top five" list of the most concerning jobs requiring remediation. Factors to be considered for placing a job on the "top five" list shall include injury rates, ErgoPal scores, lost work time rates and investment cost paybacks. The LEC



will work aggressively to find practical, feasible, economical solutions to the "top five" list. In the event that a Local Ergonomics Committee believes that a facility is not making proper technical resources from the facility available, it should raise the issue with the LEPC. If not resolved, the matter should be referred to the National Employee Participation Council (NEPC) for immediate resolution.

#### (E) Ergonomic Support Equipment

Seats, chairs and mats are considered appropriate solutions to control ergonomic risk factors. The Corporation agrees that it will not remove ergonomic support equipment that is currently in use for ergonomic reasons without mutual agreement with the Local Ergonomics Committee.

#### (F) Program Management

The Corporation will continue to support a medical management program for early detection, treatment and placement of employees with musculoskeletal disorders (MSD's).

The NJC will continue to review and, when necessary, revise audit procedures in an effort to ensure the effectiveness of the ergonomic process. The NJC will also review periodic reports of the occurrence of cumulative trauma from all UAW represented facilities. Problems arising regarding the proper functioning of Local Ergonomics Committees may be referred to the NJC for review and resolution by appropriate Corporate and Union representatives.

The NJC will continue to develop and sponsor an annual conference, subject to Joint Activities

Board approval for all designated Local Ergonomics Committee members to disseminate information about state-of-the-art application, to review project funding procedures and other ergonomic administrative matters and to share information on successful local ergonomics projects.

Acceptable new methods of employee training, medical evaluation, and Ergonomics Committee training will be evaluated and implemented by the NJC, as appropriate, to assure efficient control of MSD's.

New workable ergonomic concepts, including specific technical information, will be distributed by the NJC to all UAW-represented facilities. A video library of corrective actions taken regarding ergonomic problem areas, by various DaimlerChrysler facilities with documentation for dissemination to facilities will be maintained at the National Training Center.

The parties recognized that ergonomic activities are being conducted at many DaimlerChrysler facilities, including ergonomics committees established during the previous agreements. It is not the intent of the parties to reduce any currently existing efforts in ergonomics.

This procedure shall not preclude the filing of a Health and Safety Grievance at Step 1 of the Grievance Procedure.

The parties are hopeful that by providing these resources, positive gains in employee morale, injury rates, quality and costs will be realized.

## **IX. Energy Lockout/Energy Control Program**

It is recognized by both parties that an effective energy lockout/energy control program as required by the Corporation's mandatory safety Manufacturing Technical Instruction "Procedure for Neutralizing and Locking Out Energy Sources for Machinery Equipment and Facility Services" can only be implemented at the facility level. In order to remain effective, this program must be reviewed and reemphasized.

In that context, within ninety (90) days following ratification of the Agreement, the written program will be reviewed by the Local Committee and the appropriate union leadership to assure compliance with government regulations and applicable Corporate instructions. It is understood that the Committees will discuss the program and, as deemed necessary, make recommendations to improve upon it. This program shall then be reviewed and signed by the Co-Chairs of the LEPC, and submitted to the NJC. This is to ensure that each facility has an effective energy lockout/energy control program.

## **X. Improvement of Medical and Industrial Hygiene Services**

### **(A) Industrial Hygiene Monitoring**

The Corporation is committed to improving the services provided by its industrial hygiene staff. This will include the regular monitoring of employee exposures to regulated and/or hazardous workplace air contaminants and measurement of ventilation system functioning at operations with a potential for hazardous exposures.

## **(B) Consultants**

The Corporation reserves the right to select and hire appropriate consultants for health and safety services. The Union will be informed in advance and be provided an account based on specific legitimate requests regarding qualifications of the Consultant(s) engaged by the Corporation to provide services. The Union may recommend consultants for Management's consideration. Included in such recommendation should be an account of the qualifications of the consultants recommended by the Union.

The Local Health and Safety Committee will be informed regarding the engagement of consultants to provide industrial hygiene and safety services. Qualifications of such consultants will be provided upon request. Reports prepared by such consultants will be provided to the Local Health and Safety Committee.

## **(C) Medical Visit Data**

Facilities have designed and used various systems to collect information regarding visits to the facility medical department. These systems were designed to be planning tools for internal use by facility medical departments only. Summary reports of this data will be made available to the Local Health and Safety Committee as now maintained. In addition, a protocol for reporting on tests given to identify effects of workplace exposures will be developed and implemented. Because of the variance in data collection methods and systems, the data may not be useful for comparative purposes.

#### (D) Air Sampling Plan

Management in conjunction with the Local Joint Health and Safety Committee, will assess the need and, where required, a facility will develop and implement an air sampling plan. Guidance in the preparation of such plans will be provided by the National Joint Committee. Reports of industrial hygiene and noise measurement surveys will be provided to the Local Health and Safety Committee.

#### (E) Chemical Hazards & Permissible Exposure Limits

The NJC will regularly review established permissible exposure limits in light of available scientific evidence to determine if change is required. The Corporation agrees to discuss limits lower than OSHA Permissible Exposure Limits, where necessary, taking into consideration such things as OSHA proposals, NIOSH recommendations, ACGIH TLV's, consensus standard recommendations and other validated and consensed scientific evidence as well as technical and economic feasibility. During the 2003 Agreement, the Corporation agrees to discuss limits for carbon monoxide, diesel exhaust, a number of solvents, mineral dusts, wood dust and sulfuric acid. In addition, special emphasis on chemical control programs will be established for cutting fluids and foundry work.

#### (F) Surveys and Audits

The Corporation agrees to arrange for regular surveys and audits of each facility by the Corporation's Industrial Health and Safety Staff and provide special surveys at the request of either

facility management or the International Union. Such survey and audits reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the Union member of the Local Committee. The Union member of the Local Committee shall be allowed to accompany health and safety specialists whenever hired by the Corporation to perform the functions normally performed by the Corporation's Industrial Health and Safety Staff. Such specialists' reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the Union member of the Local Committee.

#### **(G) Full Chemical Formulas**

The Corporation agrees to explore in National Committee meetings methods to improve communications between DaimlerChrysler and the UAW in health and safety areas. Initial efforts shall be directed at obtaining from suppliers full chemical formulations on a non-confidential basis and determining the feasibility of providing the information on Hazard Communication Sheets.

#### **(H) Identity of Materials**

The Corporation shall disclose and submit in writing to the National Committee and the Local Committees in a timely manner the identity of any known potentially harmful chemicals or materials to which employees are exposed. Such information shall also contain a description of the remedies, antidotes, and protective measures for such chemicals.

## **(I) Medical Services**

The Corporation agrees to provide competent staff and medical facilities adequate to implement its obligation as outlined in (J, K and L) below.

## **(J) Access to Medical Exams**

The Medical Staff shall provide to employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations, at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

## **(K) Employee Access to Medical Test Results**

The Medical Staff shall provide to each employee or their physician, upon written request of the employee, a complete report of the results of any such test or examination given to them, including the results in those instances where it is determined that an employee had a personal exposure exceeding the permissible levels set forth in 29CFR-1910.1000, Air Contaminants.

Provide upon request to the International Union, a copy of such reports after receipt of the employee's written permission to do so.

## **(L) Medical Operations**

The Corporation has coordinated healthcare services in order to achieve optimal quality care delivered in a cost effective manner. Great

emphasis has been placed on internal medical departments continuing to meet local, state, and federal regulations. Guidelines set forth by nationally recognized medical organizations such as the American College of Environmental and Occupational Medicine (ACOEM), the American Association of Occupational Health Nurses (AAOHN), and the American Medical Association (AMA) are also reviewed for applicability in our delivery models.

In the event there are issues regarding the quality of medical care, at a particular facility, the issue should be immediately addressed to the Corporate Medical Operations. If unresolved, it should be referred to the NJC for discussion at its next meeting.

## **XI. New Equipment Review**

The Corporation agrees to, as early as possible in the planning process, involve the Local Committees in the joint review of new facility layouts, new manufacturing equipment and major process changes where employee health or safety may be affected. The Local Joint Committee may be required to travel to vendors, facilities or other locations to review such equipment and/or processes. The NJC will oversee development and administration of training regarding design-in-safety for the Local Committee. The training will include informational material, guidelines, standards and checklists. In addition, management will periodically review with the International Union the introduction of new technology and/or chemicals at DaimlerChrysler where employee health or safety may be affected.



## **XII. Preventive Maintenance**

Within two (2) weeks of the effective date of the new Collective Bargaining Agreement, the Company will prepare a letter for distribution to all locations that stresses the need and importance of established preventive maintenance programs with regard to safety-related items and ventilation systems. An updated written program will be reviewed and signed by the Co-Chairs of the LEPC annually at a Monthly Safety Review Board Meeting. The signed program will then be submitted to the NJC for review.

## **XIII. Emergency Response**

Each facility shall have an emergency response plan that addresses the facility's response to health and safety emergencies. In conjunction with the emergency plan, where appropriate, emergency response training and associated equipment will be provided.

## **XIV. Refusal of Hazardous Work**

A worker who has a reasonable belief that their work assignment may result in serious physical injury, including illness, may immediately notify supervision. Failing resolution, the issue may be discussed with their union representative.

Should technical consultation be necessary, the Local Committee will be notified to respond. In line with this Memorandum of Understanding on Health and Safety, upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with Section (19) of the Grievance Procedure.

#### **XV. Working Alone**

It is the policy of the Corporation with respect to the assignment of employees to work in isolated areas that when such assignments are recognized as potentially hazardous, appropriate precautions are taken. Such precautions include providing air sampling and ventilation when necessary, necessary protective equipment, a reliable communication system, including as needed, electronic communication devices, appropriate personnel surveillance arrangements and, as required, adequate support personnel. This will not change or restrict any mutually satisfactory local practice. Problems with any of the above items, which cannot be easily resolved, shall be referred to the Local Committee for disposition.

#### **XVI. Video Display Terminals**

In the event a Local Union has a problem with equipment set-up and believes an individual's physical well being may be affected, then that subject should be investigated by the facility's Safety Office and/or the Local Joint Health and Safety Committee, if appropriate. In the event the local parties are not satisfied with the local management's decision, they may refer the matter to the NJC for review and disposition.

#### **XVII. Personal Protective Equipment and Safety Glasses**

(A) The Corporation agrees to provide the necessary or required personal protective

equipment, devices and clothing at no cost to employees.

(B) The Corporation will provide prescription safety glasses to seniority employees working on a job or in an area where eye protection is a company requirement provided the employee furnishes a prescription from their own doctor or optometrist. The Corporation will replace such glasses if damaged by a cause attributable to the employee's employment or if the employee presents a new and different prescription from their doctor or optometrist. The Corporation will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

The parties agree that a 100% Eye Safety Program in certain facilities and areas is desirable and the union will support the implementation of such a program. Therefore, the Local Committee will develop and recommend a mutually agreeable eye protection program.

#### **XVIII. Powered Industrial Vehicles**

During these negotiations, the parties discussed at length better workplace design and pedestrian safety. The parties agreed to continue current practices regarding powered industrial vehicles. The NJC will explore new methods that would improve jointly developed programs in these areas.

#### **XIX. Inspections and Grievances**

The Steward in each district of each facility will conduct a weekly tour to determine whether safe, healthful and sanitary conditions are being

maintained. The Union Representative shall report to the Local Committee any conditions which they believe to be in need of correction which they have not been able to get corrected through discussions with Management in their district.

The Union member of the Local Committee will conduct an investigation of those matters contained in such reports. Those matters not resolved as a result of such investigation may be referred back to the Steward of the district and the Unit Chairperson who may discuss the matter with the Labor Relations Supervisor and discussed at its next scheduled meeting or, in those situations the Union member of the Local Committee deems urgent, be referred directly to the National Committee.

This procedure shall not preclude the filing of a Health and Safety Grievance at Step 1 of the Grievance Procedure. The primary responsibility of resolving differences involving health and safety matters remains with the facility supervision and the Local Union representatives.

Grievances arising under these provisions shall not be in the jurisdiction of the Appeal Board.

## **XX. International Union Access and Confidentiality**

The Corporation agrees to:

(A) Provide access, upon reasonable notice, to all Corporation facilities and locations to health and safety representatives of the International Union. Reports on such surveys will be provided to the Corporation.

(B) Provide to the Union member of the Local Committee and to the National Committee prompt notification of fatalities and serious accidents. Upon making proper arrangements, immediate investigation may be made of such events by the International Union's health and safety professionals upon request.

The Union agrees to maintain in a confidential manner any statistical data or proprietary information supplied to it under the terms of this Memorandum of Understanding.

### **XXI. Employee Rights**

Nothing herein shall be construed to restrict any employee's rights under Section 502 of the National Labor Relations Act, as amended by the Labor Management Relations Act, 1947.

### **XXII. Intent**

The provisions of this memorandum are not intended to provide representation nor create committees other than as provided in Section V. (A) above. The objectives and duties and duties outlined in this memorandum are also not intended to duplicate the stated purpose or objective of other joint activities or functioning committees.

### **XXIII. Liability**

In our Health and Safety initiative, nothing in our agreements, booklets, manuals, and joint programs is intended nor should it be taken to impose upon the International Union, Local Unions, Union Health and Safety Committee and Union Officials, employees or agents, a legal or financial liability for either the health and safety of

DaimlerChrysler Corporation employees or for work connected injuries, disabilities, diseases or related losses incurred by employees of DaimlerChrysler Corporation or its subsidiaries or by third parties while on the property of DaimlerChrysler Corporation.

Dated and signed at Auburn Hills,  
Michigan, this 29<sup>th</sup> day of September, 2003.

INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL IMPLEMENT  
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER  
CORPORATION

## **SUPPLEMENTAL AGREEMENT ON PREVENTING EROSION OF BARGAINING UNITS**

This SUPPLEMENTAL AGREEMENT ON PREVENTING EROSION OF BARGAINING UNITS (to be known as the Supplemental Agreement on Erosion), made and entered into on the date of signing of the 1993 National Agreements referred to herein, between DaimlerChrysler Corporation (hereinafter referred to as the Corporation) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (hereinafter referred to as the International Union) and certain of its Local Unions (said International Union and said Local Unions being hereinafter referred to as the Union).

It is not the policy of the Corporation to reassign bargaining unit work so as to erode bargaining units covered by the National Office and Clerical and National Engineering Agreements between the Corporation and the Union, unless the Corporation can demonstrate clear economic, organizational, or geographic reasons for such reassignments. Furthermore, the Corporation will notify the Union prior to any such reassignment of work. In disposing of cases arising under this Memorandum, the Committee including the Impartial Chairman will reverse Management's reassignments only in cases where based upon the facts it is apparent that the motive for the reassignments was to provide work to non-Union personnel at the expense of personnel represented by the Union.

**THEREFORE, it is hereby agreed as follows:**

**I. a. The Corporation and the National DaimlerChrysler Department of the International Union, UAW, each will appoint two representatives to a Joint Committee on Preventing Erosion of Bargaining Units (hereinafter called the Joint Committee). Each member of the Joint Committee shall have one vote, but one representative of either party hereto may cast the votes of both representatives of that party.**

**b. Any claim within the jurisdiction of the Joint Committee shall be deemed a matter on which the Appeal Board has authority to rule.**

**c. The Joint Committee will be constituted as herein set forth unless and until the parties mutually agree to change its composition or operation, or to discontinue it.**

**II. Any claim that the Corporation has reassigned work contrary to the aforementioned policy set forth in the preamble of this Supplemental Agreement shall, after verbal discussion of the claim with the Labor Relations Supervisor, be submitted as a grievance by the Local Union at the Second Step of the Grievance Procedure provided by the above mentioned National Agreements within thirty (30) days after the claim arises.**

**At the Second Step Meeting each party will endeavor in good faith to furnish the other all facts and information then available with respect to the grievance. All plants and offices will also use the approved erosion grievance checklist. The Unit President or Chairman shall initiate and complete the checklist in the meeting and management shall**



cooperate in its completion. The completed checklist will be forwarded to the Regional Director with the grievance and answers as provided for in Section (21)(f) of the Agreements. It is understood and agreed that the checklist shall be used without prejudice to either party and will not be used or referred to in any arbitration proceeding.

If not disposed of at the Second Step within the prescribed time limits, the same shall, if the Regional Director or his designated representative determine the claim warrants merit for appeal, be submitted to the Joint Committee within thirty (30) days after the date of the answer at the Second Step. Such submission shall be made by the International Union by written notice to DaimlerChrysler Corporation, Corporate Union Relations, and shall state the facts and the basis of the Union's claim in reasonable detail. The Joint Committee will meet and consider the matter on a timely basis after receipt by the Corporation of such notice. It may dispose of any such claim (1) by referring it back to the plant of origin as a matter that is not within the jurisdiction of the Joint Committee, or (2) by a written settlement thereof. In the case of claims involving legal issues, counsel for the respective parties may participate in the Joint Committee's discussion. If the Joint Committee is unable to dispose of a claim within thirty (30) days after the same has been submitted to it, the Union may within ten (10) days after said thirty (30) day period, either (1) give to the Corporation written notice of its desire to submit the same to final and binding arbitration by an arbitrator or arbitrators chosen by unanimous agreement of members of the Joint Committee or, in the absence of agreement, by an Impartial Chairman under said National Agreement, or (2) file a petition with the National Labor Relations Board for an amendment

or clarification of the appropriate bargaining unit or units, or (3) withdraw the same, in which event such withdrawal shall be without prejudice to the Union's right thereafter to renew the claim before the Joint Committee. If the Union does not give such written notice of its desire to submit the matter to arbitration or file a petition with the National Labor Relations Board within said ten (10) day period, the matter shall be considered settled, unless said time limit is extended by mutual consent.

III. In order to establish an orderly procedure for processing claims that are referred to the Joint Committee by this Supplemental Agreement or that are hereafter referred to it, each such claim shall be assigned a case number in the order of its submission to the Joint Committee, and unless the members of the Joint Committee unanimously agree otherwise, said Committee shall consider and dispose of them in that order.

Any two members of the Joint Committee may call a meeting thereof on five (5) days written notice to the other members. A meeting may be held at the plant of origin of a matter that the Joint Committee will consider at such meeting, in which event a member of the Local Union bargaining committee and a representative of the local plant management may attend, if requested by the Corporation or the Union. Notices pursuant hereto shall be addressed to the National DaimlerChrysler Department of the International Union, UAW, in the case of its representatives, and to DaimlerChrysler Corporation, Corporate Union Relations, in the case of the Corporation's representatives.

IV. Any employee who, by the terms of this Supplemental Agreement or by a decision of the

Joint Committee, an arbitrator, the Impartial Chairman or the National Labor Relations Board, becomes a member of a bargaining unit will have forty (40) days after the effective date of the Supplemental Agreement or decision, as the case may be, in which to become a member of the Union.

The seniority date of such employee will be established in the following manner: (1) if his placement in the bargaining unit is as a result of a decision by the National Labor Relations Board, the Impartial Chairman or an arbitrator, his seniority date shall be his last date of hire, (2) if his placement in the bargaining unit is as a result of a disposition by the Joint Committee, said Committee will endeavor to agree on a seniority date. Failing such agreement within a reasonable time, then the seniority date shall be his last date of hire.

V. The International Union, UAW, shall indemnify the Corporation and hold it harmless against any and all penalties, damages, or claims, including reasonable counsel fees, by reason of or arising out of compliance by the Corporation with the terms of this Supplemental Agreement or any decision of the Joint Committee, an arbitrator, or the Impartial Chairman pursuant thereto.

INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL  
IMPLEMENT WORKERS  
OF AMERICA, UAW

DAIMLERCHRYSLER  
CORPORATION

By Stan Marshall

By T. Gallagher

October 25, 1979

O & C & E  
(1) Transfer with Operations

International Union, UAW

Attention: Mr. Harold Schauer

Dear Sirs:

If an employee in one plant covered by the Corporation-Union Agreements, pertaining to Office and Clerical and Engineering employees, is (a) transferred to a position in the plant not included in the unit prior to March 1, 1977, and (b) is thereafter transferred to another plant, along with other salaried employees in the bargaining unit as provided for in Section (57) of the Office and Clerical and Engineering Agreements, and (c) is subsequently transferred to a salaried bargaining unit job at the new plant in the seniority group which was transferred with the work, he shall commence work as a salaried bargaining unit employee with the seniority ranking he had at the time of his transfer out of the unit, plus the seniority accumulated up to March 1, 1977 while working out of the bargaining unit.

If he is transferred to a position not included in the unit on or after March 1, 1977 and is subsequently transferred to a position in the unit, he shall commence work with the amount of seniority he had at the time of his transfer to a position not included in the unit.

Very truly yours,  
CHRYSLER CORPORATION  
By Donald R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Harold Schauer

October 28, 1985

O & C & E  
(2) Salaried Employees Council

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During recent National Negotiations, the parties discussed productivity, employee involvement, job security and other issues of mutual concern to the Corporation, the Union and employees. The parties recognized that these issues impact on all Corporate employees, hourly and salary, and are best dealt with by National Councils which take into account overall employee productivity and competitiveness of the Corporation as well as employee welfare.

However, the parties further recognized that our represented salaried employees often have unique problems not common to hourly employees which require new and innovative approaches. Accordingly, a National Salaried Employees Council for Progress is hereby established. The Council shall be chaired jointly by the Director of Union Relations for the Corporation, and the Director of the Chrysler Department, or his designated representative, for the Union. The Council shall have three (3) additional representatives of the Corporation, and three (3) additional representatives of the International Union, as appointed by their appropriate directors. The Council shall be empowered to address issues of major importance to the Corporation and the Union during the term of our National Agreements. In addition, the Council shall have responsibility for monitoring and assisting the following Sub-Councils, or Committees, consisting of two (2) representatives of the Corporation, and two (2) representatives of the International Union, which shall deal with the following specific subject matters:

- Study Committee on Working Hours and Schedules
- Chrysler-UAW National Committee on Technological Progress
- Joint Committee on Preventing Erosion of the Bargaining Units

It is understood and agreed that the Council and its corresponding Sub-Councils are established to promote harmonious relationships in a non-adversarial setting in order to accommodate the well-being of all our employees and the viability of the Corporation. To that extent, the parties have agreed that such councils do not replace, and are not intended to usurp, the Grievance Procedure or the collective bargaining process.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Marc Stepp

December 10, 1982

O & C & E  
(3) Displacement

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

If, as a result of an indefinite layoff as defined in Section (49) which at its commencement is expected to last two (2) or more weeks, a salaried employee with one (1) or more years of seniority would, pursuant to the application of Section (52), (excluding Subsection (b)2.(c) of the Office and Clerical and Engineering Agreements) displace a junior employee on a job for which his base weekly salary calculated in accordance with the Salary Grades and Progression Application Supplement to said Agreements, would be reduced by more than twenty percent (20%), he may elect, in writing, within twenty-four (24) hours after receiving notice of layoff, either to (1) displace the junior employee on such job or (2) be laid off from the seniority group and receive Supplemental Unemployment Benefits, as long as he meets the eligibility requirements for a Regular Benefit as set forth under the Supplemental Unemployment Benefit Plan.

A salaried employee who elects to be laid off shall not, for the duration of such layoff, be entitled to displace a junior employee pursuant to Section (52) or any local supplemental agreement and shall be subject to recall pursuant to Section (53) of the Office and Clerical and Engineering Agreements only to a job the base weekly salary of which, calculated as provided in the Salary Grades and Progression Application Supplement, is eighty percent (80%) or more of the base weekly salary the employee received at the time of layoff. For purposes of such calculations only, the base weekly salary of the laid off employee will be presumed to include any general or improvement factor increase which became effective after the employee was laid off. If he refuses or fails to respond to such recall, his seniority shall terminate at all plants and units of the Corporation.

If a salaried employee with one (1) or more years of seniority who is indefinitely laid off as defined in Section (49) for two (2) or more consecutive weeks and who does not have sufficient seniority to displace any other employee in his seniority group pursuant to the application of Section (52) (excluding Subsection (b)2.(c) of the Office and Clerical and Engineering Agreements) is recalled pursuant to Section (53) to a job the base weekly salary of which, calculated as provided in the Salary Grades and Progression Application Supplement, is less than eighty per cent (80%) of the base weekly salary the employee received at the time of layoff he may at that time elect in writing to remain on layoff. Thereafter he shall be subject to recall only as provided in the foregoing paragraph with respect to an employee who elected to be laid off. If he refuses or fails to respond to such recall, his seniority shall terminate at all plants and units of the Corporation.

A laid-off employee who does not accept an offer of work pursuant to Section (54) or (55) on a job, the base weekly salary of which, calculated as provided in the Salary Grades and Progression Application Supplement, is less than eighty per cent (80%) of the base weekly salary he received at the time of layoff, shall not for that reason be ineligible for Supplemental Unemployment Benefits.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 28, 1985

O & C & E  
(4) Plant Closing

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

In the event a plant of the Corporation in which there is a bargaining unit covered by the National Engineering or Office and Clerical Agreements is closed, the Corporation will discuss with the International Union the feasibility of permitting employees who are permanently laid off as a result of the plant closing and who have accepted work opportunity in a unit in another plant of the Corporation covered by the National Engineering or Office and Clerical Agreements to carry their seniority to the new unit.

Additionally, for employees represented by Local Union No. 889, the provisions of this letter shall apply to an office closing in which an entire office and clerical bargaining unit covered by the National Office and Clerical Agreement is discontinued or transferred to another facility of the Corporation.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey



October 29, 1979

O & C & E  
(5) Casual Absence

International Union, UAW

Attention: Mr. Harold Schauer

Dear Sirs:

The Corporation will continue to pay salaried Office and Clerical and Engineering employees for casual absences when such absences are for justifiable and proper reasons, including but not limited to, personal illness, serious illness in the immediate family and other absences normally considered as being unavoidable, and are reasonable in number. The Corporation has not established a fixed maximum for which an employee will be paid casual absences. The extent to which an employee will be paid for such absences shall be determined on the basis of each individual case.

When the Union believes the Corporation denied payment for an employee's casual absence without sufficient reason, the Union may submit a grievance in the Grievance Procedure.

Very truly yours,  
CHRYSLER CORPORATION  
By Donald R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Harold Schauer

November 19, 1990

O & C & E  
(6) Continuous Service

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

For the purposes of Sections (75) and (85) of the Office and Clerical and the Engineering Agreements only, an employee will be deemed to have "continuous service" unless:

(a) he quits, and does not have seniority at another Corporation plant or office;

(b) he is discharged and the discharge is not reversed through the Grievance Procedure;

(c) he is absent for five (5) days without notifying the plant and his seniority is not subsequently restored under Section (42) Paragraph (c) of this Agreement;

(d) he does not return to work when called; unless his failure to return was due to his accepting employment at other plants or offices of the Corporation and refusing recall to the plant or office from which he was laid off;

(e) he loses seniority because he is laid off and not rehired by the Corporation for a continuous period equal to the seniority or continuous service he had acquired at the time of such layoff, or for five (5) years, whichever is longer, provided at the time he does not have seniority or is not working at another plant or office of the Corporation;

(f) he receives permanent total disability benefits under a group insurance policy held by the Corporation and does not return to work with restored seniority;

(g) he retires or receives a pension under the Pension Plan of the Agreement and does not return to work with restored seniority;

(h) he accepts a Separation Payment under the Supplemental Unemployment Benefit Plan or he accepts final payment for which he may be eligible under any other separation benefit plan.

Nothing in the foregoing paragraphs will be construed to break an employee's continuous service if such employee has not lost seniority at all plants or offices of the Corporation.

It is understood that this Agreement will not serve as a basis for any retroactive adjustments of service dates for vacation or salary continuation purposes, and nothing in this Agreement will be used to prejudice either party with respect to their positions on layoff, recall or other seniority rights.

Very truly yours,  
CHRYSLER CORPORATION  
By R. F. Whitcher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 14, 1996

O & C & E  
(7) Salary Pay Practices

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

Certain questions of interpretation have developed relative to Sections (66), (68), (69), (71) and (74) of the National Salaried Agreement. The Corporation's interpretation of the applicable Sections of this Agreement will be as follows:

Section (66)

(i) When death occurs in an eligible employee's immediate family within the meaning of Section (66) of the National Salaried Agreement on the Saturday or Sunday prior to his vacation scheduled to commence on the following Monday, the vacation will be rescheduled at a mutually convenient time.

(ii) In the event an employee is granted a leave of absence because of the illness of a member of his immediate

family and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

#### Section (68)

In administering Section (68) of the Salaried Agreement, the Corporation follows the following procedure:

(i) An employee will be paid the appropriate shift premium for each day worked. The shift premium will only be paid for time worked, and paid casual absence and holidays, and vacation days as provided in Section (79), where the employee would otherwise be scheduled to work a premium shift.

(ii) An employee who works overtime in conjunction with an assigned shift will be paid the shift premiums appropriate to the assigned shift for all time worked.

(iii) First shift employees who are scheduled to work and who do work additional hours in advance of their regular shift starting time will receive the shift premium applicable to their advanced starting time for all hours worked on such shift. For example, a first shift employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday, he is scheduled to work and works a shift from 3:00 a.m. to 3:30 p.m. He will receive third shift premium for those hours on Friday.

(iv) While the establishment of starting times is a Management prerogative and the establishment of such times are dictated by valid operating and business reasons, in the event a local unit feels that Management has established a starting time solely and exclusively to avoid the payment of shift premium, they should raise the issue with the International Union who may discuss the matter with Corporate Union Relations.

#### Section (69)

##### (i) Saturday Work

Section (69) provides:

"Time and one-half will be paid as follows:

(b) For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in

excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half."

Notwithstanding the language of Section (69)(b) of the Salaried Agreement, a third shift employee who starts on Sunday night and works a sixth scheduled shift starting Friday night and working into Saturday will receive time and one-half for hours worked on Saturday, irrespective of any absence during the workweek.

(ii) Saturday Following a Holiday

Except as specified in paragraph (i) above, employees whose shift begins on Friday and work into a Saturday do not receive time and one-half for work on Saturday. A holiday falling during a workweek has no effect on the payment of premium for Saturday work.

(iii) Work into a New Workweek

While a workweek has not been defined in the Salaried Agreement, the parties have accepted the following as the definition of workweek for said Agreement:

"The regularly scheduled workweek starts at 12:01 A.M., Monday, and ends 168 hours thereafter, except those employees on third shift operations starting Sunday night in which case their regularly scheduled work week starts with the beginning of their shift Sunday night and ends 168 hours thereafter."

Accordingly, an employee who begins a shift on Sunday and works into Monday will receive double time for hours worked on Sunday and straight time for hours worked on Monday.

Section (71)

The holiday for third shift salaried employees who start work Sunday night or Monday night will be designated by Management thirty (30) days prior to the holiday as either the shift that starts the night before the holiday and continues into the holiday or the shift that starts the night of the holiday and continues into the following day. If not designated, the holiday is on the calendar day.

An employee on the third shift who performs work during the designated holiday will receive pay for time worked on such

holiday in accordance with Section (70) of the National Salaried Agreement.

Section (74)

**Overtime Pyramiding.** Section (74) Overtime Pyramiding Prohibited, provides: "The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments."

In interpreting Section (74), it is understood that, for second shift employees, (i) hours worked on the calendar holiday portion of a shift that begins on a designated holiday and continues into the next calendar day will not be excluded from consideration for overtime premium under Section (69)(a) and (ii) hours worked on the Sunday portion of a shift that begins on Sunday and continues into Monday will not be excluded from consideration for overtime under Section (69)(a).

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

July 23, 1987

O & C & E  
(8) Plant Vacation Shutdown-MOA Plants

International Union, UAW

Attention: Mr. Charles Livingstone

Dear Sirs:

A question has arisen as to the manner in which salaried represented employees will be treated during a plant shutdown period in those facilities in which we have negotiated a Modern Operating Agreement for the Production and Maintenance employees. This letter shall confirm the manner in which we intend to treat the salaried represented employees who are not

scheduled to work during a shutdown period in those facilities with a Modern Operating Agreement.

Salaried represented employees not scheduled to work during a shutdown period shall have the option of either scheduling unused earned vacation time for such period or elect to be temporarily laid off during the shutdown period. In the event they elect to be temporarily laid off, they will be paid a payment in lieu of vacation equal to the amount of time of such layoff but in no event more than the amount of unused earned vacation time the employee is entitled for the current calendar year of the shutdown. The employee's entitled vacation shall then be adjusted by the amount paid.

Such accommodation is consistent with the original intent of Letter (67), "Plant Vacation Shutdown" and Section (78), "Transfer and Termination" of the Office and Clerical and Engineering Agreements and will not be used by either party as precedential in any other situation.

Very truly yours,  
CHRYSLER CORPORATION  
By J. E. Thomas

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By C. Livingstone

September 29, 2003

O & C & E  
(9) Plant Closing and Sale Moratorium

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement, until September 14, 2007, the Corporation will not close, nor partially or wholly sell, spin-off, split-off, consolidate or otherwise dispose of in any form, any

plant, asset or business unit of any type, constituting a bargaining unit under the Agreement.

It is understood that conditions may arise that are beyond the control of the Corporation, e.g., act of God, catastrophic circumstances, or significant economic decline concerning the subject. Should these conditions occur, the Corporation will discuss such conditions with the International Union.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Francosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

November 19, 1990

O & C & E  
(10) Benefit Plans

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

The Corporation has in the past and will make available to eligible clerical, engineering and technical employees in plants covered by the National Office and Clerical and Engineering Agreements, the following programs so long as the Corporation makes the same available to professional-administrative roll employees:

a) Major Medical Expense Benefits of the Chrysler Life, Disability, and Health Care Benefit Program, including eligible retired clerical, engineering and technical employees, with the applicable contributions as provided thereunder, provided, however, the Corporation will contribute for each eligible clerical, engineering and technical employee who is actively on the payroll at any time during a month (an employee is not regarded as actively on the payroll during the period he is on strike, on leave of absence or laid off) the premium for the following month's coverage for Major Medical Expense Benefits,



b) Chrysler Salaried Employees' Savings Plan,

c) Chrysler Salaried Employees' Retirement Plan, as said programs and plans may be modified or amended from time to time, for as long as it makes the same available to certain professional-administrative roll employees who are not covered by said agreements and in the case of a) and c) above to certain eligible retired clerical, engineering and technical employees of the Corporation who are not covered by said agreements during the term of the above-mentioned collective bargaining agreements, and on the same terms and conditions as it makes the same available to such other employees.

Said programs and plans are not conditions of employment nor a part of any agreement between the Corporation and the Union, and the Corporation may revoke, terminate, suspend, modify or change them and interpret and apply them or any part of them at any time and in its sole discretion. The Union hereby waives all rights or claims of right to bargain collectively with respect to said programs or plans or any similar program or plan or any supplementary or substitute program or plan, or the application or interpretation thereof, or to require or attempt to require the Corporation to do so. However, the Corporation will advise the International Union of any changes in said programs or plans.

If an employee claims:

a) that his account under the Salaried Employees' Savings Plan does not correctly reflect the employee and/or Corporation contributions with which he should be credited, or

b) that the Corporation has improperly refused to permit the employee to participate, or has improperly terminated his participation under the Salaried Employees' Savings Plan or the Major Medical Expense Benefits or the Chrysler Life, Disability, and Health Care Benefit Program,

he may discuss the matter with the Salary Administrator of the plant where he is employed or from which he retired. If the matter is not satisfactorily disposed of, the International Union may discuss the matter with the appropriate official of the Employee Relations Office.

Very truly yours,  
CHRYSLER CORPORATION  
By R. F. Whitcher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

September 27, 1999

O & C & E  
(11) Holiday Week

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Notwithstanding the provisions of Section (71) of the National Office and Clerical and Engineering Agreements, a seniority employee who is temporarily or indefinitely laid off during the fourth workweek prior to a week in which one or more of the holidays in the Christmas Holiday Period falls, and who received regular salary for his last scheduled working day prior to such layoff, shall, if otherwise eligible, receive pay for the holidays falling during such Christmas holiday period. A seniority employee who is laid off during the fifth, sixth or seventh workweek prior to a week in which one or more of the holidays in the Christmas Holiday Period falls and who worked his last scheduled working day prior to such layoff shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period. An employee temporarily laid off shall receive pay for such holidays following his return to work from such layoff.

In addition, a seniority employee on sick leave of absence who is released by his doctor to return to work during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period falling on and after the date he notifies the plant of his availability for work and, provided further, that he presents satisfactory medical evidence of his availability to work on such day upon his return to work.

Also, a seniority employee on a personal leave of absence which expires during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period which fall (1) on or after the expiration date of

such leave or (2) on and after the date he notifies his plant of his availability for work, whichever is later.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

O & C & E

(12) Employee-Retiree New Vehicle Purchase/Lease Programs

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm that DaimlerChrysler Corporation intends to continue the Employee-Retiree New Vehicle Purchase/Lease Programs for eligible employees, retirees and surviving spouses. Eligible participants include active employees; employees on approved leaves of absence; dependents of eligible employees/retirees living at the same address; retirees receiving benefits from a normal, early or PTD pension under the DaimlerChrysler-UAW Pension Plan; spouses of employees and retirees; surviving spouses receiving benefits from a normal, early or PTD pension; sons and daughters (including stepchildren) of living employees, retirees, and surviving spouses receiving benefits from a normal, early or PTD pension; parents and parents-in-law of employees or retirees; brothers, sisters, step-brothers, step-sisters, half-brothers and half-sisters of employees and retirees; brothers-in-law and sisters-in-law of employees and retirees; and sons-in-law and daughters-in-law of employees and retirees; part-time employees; grandparents; grandchildren; and same sex domestic partners meeting the criteria as defined by the benefits group. Also eligible are survivors of eligible salary employees who receive a monthly Transition benefit and surviving spouses of employees who died while actively employed regardless of pension or marital status;

as long as the surviving spouse is alive, the children also remain eligible. Surviving spouse participants must prove relationship to verify eligibility.

Eligible employees, retirees and surviving spouses may purchase and / or lease up to a total maximum of six (6) current model vehicles during the calendar year under the Programs. Leasing under the program may be facilitated through Gold Key Lease Option which is financed exclusively by DaimlerChrysler Credit Corporation, or by qualified lenders recognized by the dealer. Under the Programs, the dealer selected by the employee will bill the employee a sum not to exceed the Employee Price (EP) designated on the vehicle invoice.

Control Numbers and complete terms and conditions of the program are available via the DaimlerChrysler Employee Advantage Programs website ([www.dcc-employeesadvantage.com](http://www.dcc-employeesadvantage.com)) and hot line (800.756.2886).

In continuing to make the Employee-Retiree New Vehicle Purchase/Lease Programs available it is understood and agreed that the Corporation may at any time modify, change or discontinue the Programs and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of these Programs shall not constitute a precedent for future negotiations on this subject.

We appreciate the efforts of the UAW to encourage employees to purchase DaimlerChrysler Products.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 28, 1985

O & C & E  
(13) Temporary Hires

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

On occasions the Corporation finds it necessary to hire additional employees in temporary positions included in salaried bargaining units. Temporary employees are hired for a period not to exceed one hundred twenty (120) consecutive calendar days. They are used for such purposes as replacing permanent employees on vacation or leave of absence. Temporary employees are not hired to fill positions which are permanent openings or where qualified laid-off salaried, seniority employees are available. The utilization of temporary hires shall not diminish the rights of seniority employees under other Sections of this Agreement. Claimed violations of the above may be referred to the International Union for review with Corporate Union Relations.

Because of the limited term of their employment, we believe it desirable to clarify the entitlement of these temporary employees to certain benefits available to permanent employees under our agreements covering salaried employees.

It is the Corporation's position that temporary employees are entitled to receive only the cost-of-living allowance, shift premium, overtime premium, improvement factor increases, payment for holidays and, provided they are not covered under hospitalization insurance carried by their parents or spouse, temporary employees will be permitted to enroll for hospital-surgical-medical coverage as provided in the applicable agreement, the National Office and Clerical Agreement and the National Engineering Agreement, and no other benefit.

Temporary employees hired to positions included in a bargaining unit would be subject to the Union security provisions of the applicable National Agreement and would be classified and paid in accordance with the applicable Salary Grades and Progression Application Supplement.

It is not intended that an employee be repeatedly hired as a temporary employee for the purpose of depriving the employee

of benefits he would be entitled to receive as a permanent employee.

Would you please indicate your acceptance of the foregoing by signing the original and one copy of this letter and returning them to me.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

October 18, 1993

O & C & E  
(14) New Hires

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During recent negotiations, the Union expressed its concern that current members be given promotional opportunities. In that regard, the Corporation reaffirmed that it is the policy of Chrysler Corporation that full consideration will be given to filling open jobs by promoting employees of the Corporation.

While maintaining our right to hire and to select employees from outside the bargaining unit to fill open jobs, it is our intention to give full consideration to those employees covered by Sections (60) and (61) of the National Office and Clerical and Engineering Agreements.

If, at any time, the Union claims the Corporation has acted arbitrarily or capriciously in exercising this right, it may submit such claim to the Grievance and Arbitration Procedure.

Very truly yours,  
CHRYSLER CORPORATION  
By C. H. Eschenbach

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

September 29, 2003

O & C & E  
(15) Sale of Operations

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the Union requested the Corporation to agree that any sale of an operation as an on-going business would require the buyer to assume the 2003 Chrysler/ UAW Collective Bargaining Agreement. The Corporation agreed to do so in the case of such sale during the term of the 2003 Agreement.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

November 19, 1990

O & C & E  
(16) Notice of New Systems and Methods

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

In the negotiations leading to the new collective bargaining agreement, the Union expressed its concern that the modification of existing, or the introduction of certain new systems, methods, processes, or equipment could adversely affect the job security of the represented salaried employees in the plant.

The Corporation reaffirmed its interest, as expressed in the Memorandum of Understanding on Joint Activities, in developing the skills, ability and the potential for advancement of its employees, and in enabling them to keep pace with changing systems, methods, processes and technology. The Corporation will therefore instruct its Plant Managements that when new, or modifications of existing systems, methods, processes or equipment are introduced in a plant, which can reasonably be expected to adversely affect the job security of employees, the Plant Management will advise the Unit Chairman/President and Local Union President as to the nature of the change in the work and discuss the effect which such change may have on the work force. It will give the Union as much advance notice as it reasonably can prior to the effective date thereof.

If the Local Union believes a training program may be desirable to assist employees to perform such changed bargaining unit work, it may request the International Union to raise the matter with the Corporate Union Relations Staff and to review the matter for possible referral to the National Training Committee.

Very truly yours,  
CHRYSLER CORPORATION  
By R. F. Whitcher



October 25, 1979

Engineering  
(17) Metric Tools

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During negotiations of the collective bargaining agreement dated today, the parties discussed the subject of conversion to the metric system and its effect on certain employee owned tools.

During these discussions the Corporation indicated its intention to make available during the transition period necessary metric tools and calibrated measuring instruments to employees when required in the performance of their work. Such tools will be available in the tool cribs and charged out to employees when they have need for them.

This policy does not preclude the use of conversion tables or any other alternate means of changing to the metric system in place of utilizing such tools or calibrated measuring instruments, nor does it alter the present requirement that employees provide their own tools necessary to perform their duties, except as provided in the second paragraph hereof.

Very truly yours,  
CHRYSLER CORPORATION  
By Donald R. Smith

September 27, 1999

O & C & E  
(18) Roundtable

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties acknowledged their mutual goal of a strong and viable corporation which can provide

long term job security for its employees. We agree that our future success in accomplishing this goal depends on our ability to market profitably products of the highest quality at a competitive price. We further recognize that with intense competition both at home and abroad, there is an unparalleled need to find new ways of doing business.

Our recent past experiences have demonstrated that substantial progress can be achieved when individual and group interests are subordinated to mutual goals and when conflict is replaced by cooperation. Thus, the parties are in accord that we need to expand upon the spirit of cooperation exhibited by the Union, the Corporation and our employees, which has served as the cornerstone for the Corporation's dramatic resurgence.

In order to enhance future cooperative efforts and create a framework which will promote understanding, improve relationships and provide for constructive, non-adversarial problem solving, the parties have established the Roundtable - an Alliance for Progress.

The establishment of the Roundtable does not replace the collective bargaining process or the Grievance Procedure. Rather it is intended to provide an opportunity for discussion of business developments that are of interest and significance to the Union, the Corporation and our employees.

The Roundtable shall meet semi-annually, unless otherwise required, to address agenda items proposed in advance by either party. The Co-Chairmen of the Roundtable shall be the Vice President and Director of the DaimlerChrysler Department, UAW, and the Senior Vice President of Employee Relations of the Corporation. Additional representatives for the Corporation will include appropriate senior executives who can provide information relative to the issues and/or agenda of the scheduled meeting. The Vice President and Director of the DaimlerChrysler Department, UAW, will designate representatives from the International Staff, UAW.

The Roundtable shall provide a structure designed to:

- Improve communications and the exchange of information among the Union, Management and employees;
- Determine approaches for improving operational competitiveness in order to enhance job security;

- Identify and recommend new approaches for improving product quality; and
- Discuss the Corporation's general operations and other global business developments on a broad, corporate-wide basis.

Finally, the parties recognize that information provided is frequently of a sensitive nature which can have important competitive implications. Accordingly, it is agreed that data shared at the Roundtable meetings shall be accorded appropriate confidential treatment and not disclosed to outside firms, agencies or persons without the consent of the party providing the information.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 25, 1979

O & C & E  
(19) Management Trainees

International Union, UAW

Attention: Mr. Harold Schauer

Dear Sirs:

During the recent negotiations the Union raised the subject of Management Trainees being assigned work improperly.

The Corporation explained that in order to properly acquaint Management Trainees with the various Corporate functions, it is necessary to assign them from time to time to work in bargaining unit areas. The Corporation assured the Union that when it assigns a Management Trainee to perform work in such an area for such purpose, the assignment is generally of short duration and the Steward in the involved area will be notified of the particular assignment.

It is not intended that a Management Trainee so assigned will displace an employee in a bargaining unit and that, when such trainee performs productive work that is regularly performed by an employee in a bargaining unit, a bargaining unit employee in the area involved will be asked to instruct the trainee in performing such work.

It is understood that Management Trainees, while in training, are not part of the regular work force engaged in productive work and are therefore not required to become members of the bargaining unit.

Very truly yours,  
CHRYSLER CORPORATION  
By Donald R. Smith

September 27, 1999

O & C & E  
(20) Sexual Harassment Prevention

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The following is the text of DaimlerChrysler Corporation's written and published guidelines regarding sexual harassment prevention:

**POLICY STATEMENT:**

Sexual harassment violates DaimlerChrysler Corporation's long-standing policy against discrimination on the basis of sex. Sexual harassment in the workplace is also illegal. It violates Title VII of the 1964 Civil Rights Act, the Civil Rights Act of 1991 and various state fair employment laws in locations in which the Corporation does business. The Corporation's policy to prohibit the occurrence of sexual harassment is based on concern for the individual as well as good business judgment.

**DEFINITION:**

For the purpose of determining whether a particular act or course of conduct constitutes sexual harassment under this policy, the following definition will be used:

Sexual harassment includes an unwanted conduct of a sexual nature that adversely affects an individual's work environment, including but not limited to the following:

unlawful sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or
3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

#### PROCEDURE:

Employees, applicants, suppliers, independent contractors, customers, business invitees, and other outsiders who come in contact with DaimlerChrysler Corporation employees who in good faith believe they have been subjected to or witnessed unlawful sexual harassment activity or behavior in the workplace by other DaimlerChrysler Corporation employees (including managers, supervisors and co-workers), applicants, suppliers, independent contractors, customers, business invitees or outsiders are encouraged to promptly report this occurrence. For the purposes of this policy, the DaimlerChrysler workplace will be defined as any place where DaimlerChrysler Corporation work is being performed. Individuals wishing to make the Corporation aware of unlawful conduct may use any or all of the following methods:

- notify immediate Management,
- notify the Personnel Office,
- notify the Corporate Diversity and Work/Family Office.

Employees covered by a collective bargaining agreement may utilize mechanisms provided under the terms and conditions of their applicable contracts. Sexual harassment grievances shall be processed expeditiously and confidentially, and shall exclude from the Grievance Procedure a Management Representative and/or Union Official who is implicated in the grievance. Further, DaimlerChrysler Corporation employees who are included under the provisions of the UAW-DaimlerChrysler Equal Application Program may also report occurrences of unlawful sexual

harassment as noted above to their local Plant Equal Application Committee.

All sexual harassment complaints will be investigated in a lawful, timely and impartial manner. Maximum confidentiality will be maintained throughout the investigation process and information will be shared only on a need-to-know basis. Because of the sensitivity of sexual harassment issues, all investigations will be designed to protect the privacy and reputation of all individuals concerned. The Corporation will take appropriate steps to assure that a person who in good faith reports, complains about, or participates in the investigation of a sexual harassment allegation will not be subjected to any retaliation. Confidential counseling is available through the Employee Assistance Program. The Corporation will also take appropriate steps to assure that a person against whom such an allegation is made is treated fairly.

The Corporation is firmly committed to providing a work environment free of hostility and will not tolerate sexual harassment in the workplace. Violations of this policy will result in immediate and appropriate corrective action. In cases where an employee is found to have engaged in misconduct of a sexually harassing nature, the transfer of that employee or the transfer of the employee who made the complaint, will generally not be considered appropriate corrective action nor the sole remedy in resolving the complaint. Appropriate discipline, up to and including discharge, may be imposed.

The Corporation and the UAW are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Section (4) Letter (124) of the National Agreement and Appendix A, the joint UAW-Management Sexual Harassment Complaint Investigation Process.

Further, the parties have agreed to provide training for Civil Rights and Equal Application Committees as specified under a separate Letter (131) of this Agreement.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

## Appendix A

### Sexual Harassment Complaint Investigation Process

Complaints of sexual harassment originate via many different avenues, i.e., an employee to Management, an employee to a Union Representative, from either a Management or Union representative directly, or anonymously. Accordingly, immediately upon any member of Management becoming aware of an allegation of sexual harassment when a Bargaining Unit employee is either the accused or the complainant, the following process is to be followed:

The involved facility Human Resources Manager (or designee) must be advised of the allegation of sexual harassment. They, in turn, will immediately contact the Local Union President (or designee) to make them aware of the allegation. In cases when a complaint is received from an anonymous source, the aforementioned parties will, before commencing with an investigation, confirm with the employee who is allegedly harassed that he or she, in fact feels sexually harassed. The local Human Resources Manager is also responsible for notification to the appropriate Group Human Resources Office, as well as the Diversity and Work Family Office of the sexual harassment complaint.

The involved Human Resources Manager (or designee) will advise the accused party that an investigation will be conducted and, accordingly, they could be placed "on notice" of potential disciplinary action, and that any act(s) of retaliation will not be tolerated. Dependent on the circumstances of the individual case, the Human Resources Manager may deem it prudent to suspend the accused individual(s) until the investigation is concluded.

An Investigation Team will be formed that will include at least one (1), but not to exceed two (2) representative(s) from the Local Union, which may include members of the local Civil Rights Committee, in accordance with Section (4) and Letters 116 and 117 of the National Agreement. Recognizing the desirability of an investigative team made up of one male and one female; each facility will attempt to structure the team accordingly. The Diversity Office may elect to name a representative to serve as an additional member of the Investigative Team or, where the Diversity Office is not part of the Investigative Team, local facilities are encouraged to confer with that activity for any guidance that may be required. In conjunction with Diversity Office presence, the DaimlerChrysler Department - UAW may elect to also name an additional

representative to the Team. Also, where the Diversity Office is not part of the investigation, the local Human Resources Manager will, upon completion of such investigation, forward to that activity a confidential copy of the file. Investigations of sexual harassment are to be conducted in as expeditious a manner as possible.

During interviews conducted in conjunction with a sexual harassment complaint, only members of the Investigative Team and the interviewee will be present. If the interviewed employee is a bargaining unit employee, he or she can have a Union Representative present during the interview. As part of the investigation, attempts will be made to obtain signed statements from all parties, including the complainant, accused, and witnesses where applicable. In cases where disciplinary action results, copies of all documentation and notes relied on as the basis for such action will be provided to the Union and Management Investigators. All individuals involved in the handling of sexual harassment complaints, from the original receipt of such complaint through the entire investigative process, are required, to the extent possible, to maintain confidentiality of any information obtained or prepared during the process. No copies of information obtained or prepared by the Investigative Team will be provided to any employee.

Once the investigation has been concluded, the local Management, i.e., Human Resources Manager and facility operating head, shall review the facts with management team members and determine the appropriate action to be taken. The union team members will have no role in this determination and will make no recommendations regarding disciplinary action.

In cases, however, where the Diversity Office participated on the Investigative Team, the investigation results will be reviewed for final disposition by designees from:

Diversity and Work Family Office  
Group Human Resources  
Corporate Union Relations

Note: The Office of the General Counsel will, upon request, provide advice and counsel.

Actions Taken in sexual harassment cases will be reported by the local Human Resources Manager to his or her respective Group Human Resources Manager, as well as the Diversity Office. Or in the case where Diversity participated, final disposition shall be reported to the local Human Resources



Manager by his or her respective Group Human Resources office. In all cases, the complainant is to be advised when the case is "closed." Such actions shall be monitored to ensure closure to all allegations is accomplished and corporate wide consistency relative to actions taken is maintained. Any discipline assessed shall be done consistent with normal requirements for notification, representation, etc.

Where the investigative process determines an allegation of sexual harassment was made falsely or maliciously, the complaint may be subject to appropriate disciplinary action, up to and including discharge. Obviously, this is not applicable to complaints that are brought forth in good faith, but are found to be inconclusive.

While the foregoing is an attempt to put in place guidelines which will allow the local facilities to investigate and dispose of the majority of sexual harassment complaints, it is important that care is taken to ensure all complaints are taken seriously, that an objective and thorough investigation consistent with DaimlerChrysler's policies and applicable Collective Bargaining Agreements is conducted, and that fair and equitable action results.

The Corporation bears the ultimate responsibility for the enforcement of the laws and corporate policy which prohibits sexual harassment. Sexual harassment is something that cannot be tolerated by Management or the Union. Accordingly, the Corporation and the DaimlerChrysler Department of the International Union, UAW are committed to ensuring investigations of sexual harassment complaints are to be conducted in the spirit of determining the truth and subsequent sharing of all available pertinent information between the parties. The Union's involvement in no way precludes its grieving and resultant disciplinary action, since the assessment of such discipline would remain the sole discretion of Management.

October 25, 1979

O & C & E  
(21) Review Personnel Records

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the current negotiations, the Union expressed concern as to the right of employees who work outside the State of Michigan to review their personnel records. The right of employees to inspect their own personnel files was afforded employees in Michigan in accordance with the 1978 Michigan Employee Right to Know Act.

This will confirm that the right of an employee to review his or her personnel records, established by the above cited Michigan law, will be extended as a matter of policy to Chrysler employees in the United States covered by a National Agreement between the Corporation and the International Union, UAW.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas W. Miner

December 10, 1982

O & C & E  
(22) Holiday Pay On Jury Duty

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

This will confirm our understanding that when any of the holidays designated in Section (71) of the National Office and Clerical and Engineering Agreements fall on a day that an employee is required to serve on a jury in accordance with the provision of Section (66)(k), the employee shall, if otherwise

eligible, receive pay for such holiday and retain the daily jury duty fee paid the employee by the court in which he serves.

Very truly yours,  
CHRYSLER CORPORATION  
By T. F. Derro

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 18, 1993

O & C & E  
(23) Americans With Disabilities  
Act of 1990, Vocational Rehabilitation  
Assistance Act of 1973 and the Vietnam Era  
Veteran's Readjustment Act of 1972 and 1974

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

The Corporation has a continuing policy of providing equal employment opportunity in conformance with the Americans with Disabilities Act of 1990, the Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 and will make reasonable accommodations in accordance with these laws. The Union also has long recognized the practical and moral value of these policies. Accordingly, it is agreed that, notwithstanding the provisions of Section (48) of the National Office and Clerical and Engineering Agreements, and any Local Supplemental Agreement negotiated pursuant thereto:

1. An employee who is approved for work by the Medical Department but with physical restrictions which limit the nature and type of the regular work he can do will be placed, in accordance with his seniority, on a job in his department or division that he can perform consistent with his assigned physical restrictions.

2. If there is no such job in his department or division and there is a job he can perform in the plant, consistent with his

assigned physical restrictions, he will be placed on that job in accordance with the provisions of Section (52)(a)3.

3. The Plant Management and the Local Union shall take appropriate action to insure that Local Supplemental Agreements conform herewith.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

February 3, 1971

O & C & E  
(24) Layoff Notification

International Union, UAW

Dear Sirs:

During our recent contract negotiations the Union claimed that problems are at times created when numbers of salaried bargaining unit employees are laid off at the same time with a minimum of advance notice to the Local Unit Chairman.

The Corporation responded that before it makes a layoff of a group of bargaining unit employees on the same date that it anticipates will result in the movement of such employees from one department to another or from one seniority group to another, the Corporation will make a good faith effort to give as much advance notice as possible of such layoff to the Unit Chairman of the affected unit. Upon request by the Union to the Labor Relations Supervisor, local Management will discuss the displacement of employees resulting from such layoff with the Unit Chairman.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

November 19, 1990

O & C & E  
(25) Encouraging Suppliers to  
Hire Laid Off Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

As we discussed recently, Chrysler Corporation continues its concern for the future of our workers who have been placed on indefinite layoff. We have worked together on our mutual goal of finding re-employment opportunities for these employees as soon as possible looking both within and outside of the Company.

In this regard, Chrysler Corporation intends to continue its policy of encouraging its suppliers to hire laid off Chrysler employees where possible. These employees are a valuable, well-trained resource that have demonstrated their ability to manufacture quality products, and our suppliers will be so advised.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 27, 1999

O & C & E  
(26) Personal Financial Planning

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm that an education program in the management of personal finances has been established by the UAW-DaimlerChrysler National Training Center. This program is designed to provide practical information to interested UAW represented DaimlerChrysler employees in the areas of understanding personal financial decisions and various financial planning and investment alternatives, to include income tax preparation, 401(K) plan, stocks, bonds, mortgages and loans.

Further it was agreed that spouses and dependents may participate in this program at Regional Training Centers or other mutually agreed upon locations.

The National Training Center will review the program as necessary to determine the best promotion and delivery methods, and whether to include new issues which may affect employees' personal financial planning. The costs associated with the program will be paid through local training funds. Exceptions regarding funding will be reviewed by the Joint Activities Board.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

O & C & E  
(27) Local Training Facilitator Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The Joint Activity Board previously agreed to establish the local training facilitator program.

The Program was designed in response to the request of local training committees to improve and expand local training programs, to encourage more workers to participate in available programs and to build an innovative training organization that responds to current needs while preparing the UAW-DaimlerChrysler workforce for the future.

The local training facilitator will continue to be a part-time position funded by local training funds. Locations may nominate a person for appointment when a vacancy occurs. The duration of the position, candidate qualifications, and the number of hours the facilitator may work per week will continue to be determined by the Joint Activity Board (JAB). The JAB will direct the UAW-DaimlerChrysler National Training Center to review the established guidelines annually to ensure the Program meets the needs of the local training committees.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

February 3, 1971

Engineering  
(28) Power Train Plants - Work Opportunity

International Union, UAW

Attention: Mr. Robert H. Taylor

Dear Sirs:

During the 1970 negotiations, the Union raised the matter of the Corporation's considering laid-off engineering employees from Detroit area power train plants for placement in open jobs in other power train plants.

It is recognized that the work of employees on the same classification varies widely from one power train plant to another and that employees on the same classification in one plant cannot always perform the work of the same classification in another plant.

Nevertheless, in order to afford laid off power train employees work opportunity in other power train plants, the Corporation will give first consideration to such laid off employees when filling open jobs. If there is a question concerning the placement of any such employee, the International Union may discuss the matter with Corporate Union Relations.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

February 3, 1971

Engineering  
(29) Master Mechanics-Work Opportunity

International Union, UAW

Attention: Mr. Robert H. Taylor

Dear Sirs:

During negotiations resulting in the Engineering Agreement between Chrysler Corporation and your Union dated February 3,



1971, the Union asked the Corporation to provide work opportunity for engineering employees of Master Mechanics Departments in plants in the Detroit area who are laid off without a reasonable prospect of being recalled to work for such reasons as abolition of their department or closing of their plant. In view of the fact that there were not at that time any laid off with these prospects, the parties deferred discussion of the problem with the understanding, however, that if the matter becomes important, the parties will discuss the advisability of adopting a supplemental agreement similar to office and clerical employees dated November 2, 1961, under which such laid off employees could apply for placement on job openings in other plants resulting from attrition and carry with them full ranking for seniority.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

September 27, 1999

(30) Employee Participation

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The parties devoted much time during negotiations discussing many concepts that will ensure employee input into day-to-day operations, including everything from the layout of the work site to the way in which work is performed.

We acknowledged that our long-standing, voluntary PQI process provides interested employees with the mechanism to improve employee morale and the competitiveness of the business in our very demanding industry and that our jointly developed employee participation programs should be administered, along with our other joint programs, under the

leadership of the National and Local Employee Participation Councils.

The parties acknowledged that involving employees in key phases of the business such as quality, continuous improvement initiatives, operating efficiency, joint problem solving and waste elimination, using our Joint Activities Operating Principles (JAOP), is extremely important if we are to realize our joint vision of DaimlerChrysler becoming the premier automotive manufacturing company worldwide.

Among other things, we explored in depth the importance of an operating system and the interrelationship of JAOP with our many joint initiatives. The parties recognize that the successful implementation of an operating system and the sustainment and growth of our joint programs are vitally important to the long term job security of all DaimlerChrysler employees in that such programs and processes provide the framework necessary to more efficiently and effectively operate the enterprise.

The Corporation and the Union were in accord that without the JAOP and the many "tool kit" items associated with them, DaimlerChrysler's ability to truly be competitive will be seriously diminished.

It is understood that by supporting the JAOP and other programs and processes intended to increase employee input into the day-to-day operations of the business, neither party will be abrogating or compromising their respective responsibilities, commitments or obligations under the collective bargaining Agreements.

The parties agreed to continue to identify the best processes and work policies that will encourage employee participation and also to continue the previously established National Employee Participation Council (NEPC) composed of five (5) Representatives of the International Union, UAW and five (5) senior level Representatives of the Corporation. The NEPC will continue to be co-chaired by the Vice President and Director of the UAW National DaimlerChrysler Department and the Corporation's Senior Vice President - Employee Relations. The NEPC will meet quarterly, or more frequently if mutually deemed desirable or necessary, in performance of its role to provide leadership and direction to any employee participation process authorized or created by the parties. The NEPC's role is to provide leadership, stimulation, momentum and direction to the UAW-DaimlerChrysler Employee Participation Process. The NEPC may establish appropriate joint pilot programs.

The parties will continue to review and, as necessary, modify and/or improve the mutually agreeable employee participation process contemplated by this letter. The parties will continue to jointly identify what should occur at DaimlerChrysler in terms of employee involvement and participation to be fully competitive, improve product quality and assure job security of UAW members. These activities may include, but not be limited to, (i) employee participation in activities such as self directed work teams having performance goals and objectives, PQI, problem solving groups, quality initiatives, new product launch, health and safety initiatives, maintenance processes, operating effectiveness, continuous improvement and the JAOP, each suited to the particular needs of the different locations and (ii) determining if the existing internal pay and organization structures hinder progress towards such goals. The parties will continue to benchmark outside high performance companies with demonstrated employee participation processes and/or existing plant initiatives that encourage and sustain total employee involvement. A joint study group, appointed by the chairpersons of the National Employee Participation Council (NEPC), empowered to use whatever resources it believes necessary, will develop the UAW-DaimlerChrysler Employee Participation Process and will regularly report its findings and make recommendations to the National Employee Participation Council. The NEPC may then agree on a plan of action on how new employee participation processes contemplated by the joint employee participation process will be launched.

Additionally, at each plant or facility covered by the National Production and Maintenance, Parts Depot, Office and Clerical and Engineering Agreements, a Local Employee Participation Council (LEPC) shall function, consisting of up to ten (10) employee and management representatives, such representation being equally divided between the parties, including the Local Union President and/or (Unit Chairperson under the OC&E Agreement) and the Bargaining Committee Chairperson or his/her designee, the Plant, Parts Distribution Center or office area manager, the Human Resources Manager or his/her designee. The remaining members of the LEPC, if any, shall be determined by the local parties consistent with NEPC guidelines. The Local Council will meet at the request of either party and shall, at a minimum, perform the following functions:

a. Establish a means for employees to communicate their participation-related ideas to the Local Council and to plant management.

b. Maintain a non-adversarial relationship between employees and management and assure all information exchanged is accorded confidentiality.

c. Along with the Local ESS and SWESS Committees, study and explore issues that either inhibit or enhance the present or future viability of the plant and affect job security.

d. Recommend to the National Employee Participation Council ways to improve effectiveness of the employee participation process.

e. Embrace, support and provide leadership relative to the JAOP.

f. As appropriate, link local JAOP, PQI, MOA, Health and Safety, Local Joint Training and other joint activity administration.

A member of the Local Council shall be designated to prepare a summary of major items discussed at each meeting and to furnish copies to the other members of the Local Council and the National Council.

To assure that the Councils function in a non-adversarial manner, the Councils shall not consider matters that are otherwise subject to collective bargaining. Additionally, it is understood that maximum Management and Union support of joint employee participation initiatives (inasmuch as their benefit to employees and the Company transcends contractual or interpretative differences), shall not be suspended and/or otherwise impacted as a consequence of internal differences or unrelated disputes.

The parties recognize it may be beneficial to consider and implement innovative programs which enhance competitiveness, improve job security and maximize the utilization of all available resources. Therefore, to facilitate and encourage such changes, it has been agreed that it may be necessary for the National or Local Employee Participation Councils (utilizing Attachment B appended to the Memorandum of Understanding - Employment Security System ESS Program, when appropriate) to change or waive certain provisions of the National and/or appropriate Local Agreements. It is understood that any such change(s) or waiver(s): (i) will not be effective unless agreed to by the NEPC; (ii) will, when appropriate, require ratification; and, (iii) will be effective only at the location(s) specifically designated.

Further, Local Councils shall not commit either the Corporation or the International Union to a specific course of action. However, management will consider and afford proper weight to relevant information furnished by the Local Councils before making its final decisions.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

May 16, 1988

O & C & E  
(31) Career Advancement

International Union, UAW

Attention: Mr. Homer Jolly

Dear Sirs:

During the recent negotiations, the Union pointed out there are certain employees who have qualified themselves for new career fields who wish to make application for a transfer into a classification of the same or lower salary grade in order to further their careers.

The Corporation agrees to accept such application along with a copy of the employee's Personal History Record only when the transfer sought could result in the employee gaining an opportunity for eventual advancement into a higher graded position.

In considering such applications, Management will give due regard both to the employee's qualifications and the effect such a transfer would have on the operation from and to which the employee wishes to transfer.

Very truly yours,  
CHRYSLER CORPORATION  
By J. E. Thomas

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Homer Jolly

October 14, 1996

O & C & E  
(32) Open Requisitions

International Union, UAW

Attention: Mr. Jim Jensen

Dear Sirs:

During the current negotiations the Union expressed concern regarding represented employees having knowledge of open Bargaining Unit positions.

The Corporation acknowledged that there is currently a system in place that informs non-represented employees of open positions throughout the Corporation. Further, the Corporation acknowledged the desirability of incorporating into the system a means for represented employees to be aware of open Bargaining Unit positions.

As a means to address this issue, the parties have agreed that within one hundred-twenty (120) days following ratification of this agreement, Management will incorporate into the existing system the ability for represented employees to view open Bargaining Unit positions.

Very truly yours,  
CHRYSLER CORPORATION  
By R. A. Miller

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jim Jensen

September 27, 1999

(33) Multimedia Learning

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

Since the 1988 negotiations, the Joint Activities Board, through the National Training Center, has developed and implemented a Telecommunications Service at the National Training Center and all Regional Training Centers.

During the 1999 negotiations, the parties agreed , under the authority of the Joint Activities Board, to continue providing distance learning services, utilizing effective and cost efficient multimedia technologies.

Further, it was agreed that eligible dependents, and other jointly approved persons are encouraged to participate by utilizing this service on a space-available basis.

In addition, the parties have agreed that, within 90 days of the conclusion of these National Negotiations, the Joint Activities Board will appoint a committee to evaluate the National Training Center's Multimedia Learning Program, to include the feasibility of delivering such programs to all UAW represented DaimlerChrysler locations.

Also, it was reaffirmed that Local Joint Training Committees may use in-plant telecommunication systems to broadcast video material produced or approved by the National Training Center. Furthermore, the parties agree it would be beneficial for the NTC and DaimlerChrysler's Employee Network(EN) to continue its cooperative initiatives to provide education and informative communication to DaimlerChrysler employees.

The Joint Activities Board will establish the appropriate funding, guidelines, and extent of staff support for this activity.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

O & C & E  
(34) Series Classifications

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The Salary Classification and Grade Supplement to the current National Office and Clerical and Engineering Agreements established certain classifications, as a part of a series of classifications, to which an employee may advance, after having worked on the lower classifications for a specified number of years. The base classifications and related phase-up classifications are covered in Exhibit A. All phase-up classifications are identified by a numeral in the fourth digit of the classification number (i.e., 22210).

Since the basic work content of the phase-up classification and the one from which the employee is promoted is the same, the two classifications may be considered as one, for the purposes of layoff and recall in the local Supplemental Seniority Agreements and for equalizing overtime in Overtime Agreements, in those plants and offices where applicable.

This understanding shall not prejudice the position of either party with respect to the proper application or interpretation of any of the provisions of the current National Office and Clerical and Engineering Agreements.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich



## EXHIBIT A

Listed below are series classifications wherein employees who perform satisfactorily on a base classification for a specified number of years may be advanced to the indicated phase-up classification(s):

1. No. 03600, Clerk-Expense Audit  
No. 03610, Expense Audit Specialist
2. No. 03700, Clerk-Field Car  
No. 03710, Field Car Specialist
3. No. 03800, Clerk-Property Accounting  
No. 03810, Property Accounting Specialist
4. No. 04300, Clerk-Project and Authorization  
No. 04310, Project Authorization Specialist
5. No. 05000, Accounting Liaison Clerk  
No. 05010, Accounting Liaison Specialist
6. No. 05100, Cashier-Factory or Driveway  
No. 05110, Cashier Specialist
7. No. 05300, Clerk-Billing  
No. 05310, Billing Specialist
8. No. 05400, Clerk-Bookkeeping  
No. 05410, Bookkeeping Specialist
9. No. 05500, Clerk-Cost  
No. 05510, Cost Specialist
10. No. 05600, Clerk-Company Work Orders  
No. 05610, Company Work Order Specialist
11. No. 05700, Clerk-Invoice  
No. 05710, Invoice Specialist
12. No. 05800, Clerk-Payroll-Hourly  
No. 05810, Hourly Payroll Specialist
13. No. 06300, Plant Payroll/Accounting Clerk  
No. 06310, Plant Payroll/Accounting Clerk Specialist
14. No. 08700, Procurement Person-Export  
No. 08710, Procurement Specialist
15. No. 11800, Correspondent-Technical  
No. 11810, Technical Service Analyst
16. No. 13200, Secretary A  
No. 13210, Secretary A
17. No. 14000, Telephone Operator  
No. 14010, Telephone Operations Specialist
18. No. 20800, Analyst-Equipment Utilization  
No. 20810, Equipment Utilization Specialist
19. No. 2110A, Engineer-Tool Engineering A  
No. 2111A, Tool Engineering Specialist
20. No. 2180A, Engineer-Plant Engineering A  
No. 2181A, Plant Engineering Specialist
21. No. 22000, Auditor-Planning  
No. 22010, Auditor-Planning Specialist

22. No. 22200, Follow-Up Person-Planning  
No. 22210, Production Material Follow-Up Specialist
23. No. 22300, Scheduler-Planning  
No. 22310, Production Scheduling Specialist
24. No. 22400, Specifications Compiler-Planning  
No. 22410, Planning Specifications Specialist
25. No. 22900, Engineer-Material Handling  
No. 22910, Material Handling Specialist
26. No. 23800, Follow-Up Person-Tooling & Non-Productive Materials  
No. 23810, Non-Productive Stores Follow-Up Specialist
27. No. 31600, Sales Programming Analyst  
No. 31610, Sales Programming Specialist
28. No. 32100, Special Orderer-Sales  
No. 32110, Special Order Analyst
29. No. 33200, Vehicle Sales Analyst - All Markets  
No. 33210, Vehicle Sales Analysis Specialist - All Markets
30. No. 36400, Compiler-Parts Book & Price List  
No. 36410, Parts & Price Catalog Specialist
31. No. 37600, Pricing Compiler-Service Parts  
No. 37610, Pricing Specialist-Service Parts
32. No. 37900, Procurement Person-Parts Stock  
No. 37910, Stock Procurement Analyst-Parts
33. No. 42500, Multilith Operator  
No. 42510, Multilith Specialist
34. No. 44900, Estimator-Advance Central Estimating  
No. 44910, Estimator-Advance Product Cost  
No. 44920, Advance Product Cost Analyst, or  
No. 44940, Cost Estimating Specialist
35. No. 45000, Estimator-Cost  
No. 45010, Estimator-Product Cost
36. No. 47000, Registered Occupational Health Nurse  
No. 47010, Registered Occupational Health Nursing Specialist
37. No. 51900, Illustrator-Graphic A  
No. 51910, Illustration Specialist
38. No. 53000, Analyst-Advance Product and Manufacturing  
No. 53010, Advance Product and Manufacturing Specialist
39. No. 54100, Technician-Laboratory Engineering A  
No. 54110, Technician-Plant Laboratory  
No. 54120, Plant Test Technician  
No. 54130 Plant Laboratory Specialist
40. No. 56200, Mechanic and/or Driver II - Engineering  
No. 56210, Mechanic-Product Development

- No. 56220, Mechanic-Product Test & Development
- 41. No. 56300, Mechanic and/or Driver III - Engineering
- No. 56310, Mechanic-Engineering Development
- 42. No. 56500, Vehicle Test Technician-Proving Ground
- No. 56510, Vehicle Test Coordinator-Proving Ground
- No. 56520, Vehicle Test Specialist-Proving Ground
- 43. No. 56700, Technician-Test and Analysis
- No. 56710, Technician-Test and Development
- No. 56720, Technician-Engineering Development
- 44. No. 56800, Instrument Development Technician II
- No. 56900, Instrument Development Technician III
- 45. No. 57000, Functional Test Technician
- No. 57010, Functional Testing Specialist
- 46. No. 57500, Technician-Engineering Development
- No. 57510, Technician - Assembly and Test - Experimental
- 47. No. 57900, Engineering Records & Release Clerk III
- No. 57910, Engineering Records & Release Specialist
- 48. No. 58200, Electronic Test and Analysis Technician
- No. 58210, Technician - Electronic Test and Development
- No. 58220, Technician - Electrical Engineering Development
- 49. No. 58300, Mechanic-Maintenance-P.G.
- No. 58310, Maintenance Mechanic Specialist-P.G.
- 50. No. 59700, Product & Systems Development Technician
- No. 59710, Product & Systems Development Specialist
- 51. No. 59900, Design Specifications Analyst
- No. 59910, Design Specifications Specialist
- No. 59920, Design Releasing Specialist
- 52. No. 60500, Technical Records and Information Clerk
- No. 60510, Technical Records and Information Specialist
- 53. No. 80200, Assembly Process Engineer
- No. 80210, Assembly Process Specialist
- 54. No. 80900, Advance Program Planning Engineer
- No. 80910, Advance Program Planning Specialist

September 21, 1973

O & C & E  
(35) Overtime

International Union, UAW

Attention: Mr. Robert H. Taylor

Dear Sirs:

In the negotiations leading to the National Office and Clerical and Engineering Agreements dated today, the parties discussed at length the subject of heavy overtime schedules worked by some employees covered by the two Agreements. The parties recognized in those discussions that the Corporation's need for overtime work and local overtime agreements and practices varied greatly from location to location and also among the various office and clerical and engineering groups at each location.

This will confirm our understanding that local overtime practices and agreements may be continued. In the event any local unit, because of a particular situation it considers troublesome, wishes the voluntary aspects of the National Memorandum on Overtime be applied to it, a request may be made to the International Union to negotiate with the Corporation on the matter.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the Union and the Corporation discussed certain situations where the Union felt there has been inconsistent application of the Corporation's policy on the payment of travel time. The Corporation reaffirmed that in compensating Clerical-Engineering-Technical employees whom you represent for time spent traveling on Company business, it would continue to be the Corporation's policy to follow the principles of the Federal Fair Labor Standards Act and Part III, Section 4 of the Portal-to-Portal Act. The parties agreed that the Corporation's policy of following the principles of the Fair Labor Standards Act and Part III, Section 4 of the Portal to Portal Act often resulted in disparate treatment of Clerical-Engineering-Technical employees depending upon the individual travel circumstances involved. In an effort to assure the consistent application of the Corporation's travel time policy, the Corporation will reissue to the plants its revised administrative guidelines incorporating the clarification outlined below:

A. When employees travel to another city on the day prior to a temporary training or work assignment, regardless of the assignment's duration, they are to be paid for all such travel time at their regular salary including appropriate premiums as follows:

1. Air Travel: Travel time begins at the scheduled flight departure time until the actual arrival at the airport, plus actual ground travel, up to two (2) hours, to the destination, for example, hotel/motel, seminar, or work location, etc.

2. Driving personal or Company Vehicle: Travel time begins at the time the employee leaves home until arrival at the destination, for example, hotel/motel, seminar or work location, etc., if not more than 300 miles. If the destination is over 300 miles, the employee will be paid the air travel time as prescribed above.

B. Assuming that the return trip occurs outside of the normal work hours on the last day of the temporary assignment, employees are to be paid such travel hours at their regular salary, including appropriate premium as follows:

1. Air Travel: Travel time begins at the scheduled flight departure time until the actual arrival at the airport, plus the actual ground travel to the employee's home, up to two (2) hours.

2. Driving personal or Company Vehicle: Travel time begins at the time the employee leaves the temporary training, assignment, seminar, or work location until arrival at the employee's home if not more than 300 miles. If the destination is over 300 miles, the employee will be paid the air travel time as prescribed above.

If a question arises concerning the application of this travel time policy in a particular situation, the International Union may discuss the matter with the Corporate Union Relations Staff; and if the Union feels that a particular location is not endeavoring to schedule employees during normal working hours or per these guidelines, the International Union may raise the matter with the Corporate Union Relations Staff who will review with that location the intent of the provisions of this letter.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:  
INTERNATIONAL UNION, UAW

By Jack Laskowski

October 28, 1985

O & C & E  
(37) Salary Continuation Procedures

International Union, UAW

Dear Sirs:

In administering the Salary Continuation Plan, the Corporation will apply the following procedures:

A. Salary Continuation - S&A 5-Day Plan

If a clerical-engineering-technical employee covered by the National Office & Clerical or National Engineering Agreements is disabled into a weekend where, prior to March 1, 1971, Sickness and Accident benefits were payable, the period of disability will be regarded as a disability absence under the Salary Continuation Plan, and provided the employee is otherwise eligible under the Salary Continuation Plan, Salary Continuation payments will be made. Medical evidence required to qualify for Salary Continuation payments pursuant to this Understanding shall be the same as required under the Insurance Program, Exhibit B. In implementing this Understanding, when an employee is absent from work due to illness on Wednesday through Friday or Thursday and Friday and returns to work the following Monday with medical evidence necessary to substantiate the absence on Wednesday through Friday or Thursday and Friday, he will be considered to be on a Disability Absence for the respective period of absence.

The following examples illustrate the application of this Understanding.

#### EXAMPLE 1

W	T	F	S	S	M
No Work	N.W.	N.W.	N.W.	N.W.	R.T.W.
Sick	S	S			

The employee returns to work Monday with medical evidence substantiating his disability on Wednesday through Friday. The employee will be paid Salary Continuation for Wednesday, Thursday and Friday.

#### EXAMPLE 2

T	F	S	S	M
N.W.	N.W.	N.W.	N.W.	R.T.W.
S	S			

The employee returns to work Monday with medical evidence substantiating his disability on Thursday and Friday. The employee will be paid Salary Continuation for Thursday and Friday.

#### EXAMPLE 3

W	T	F	S	S	M
N.W.	N.W.	N.W.	N.W.	N.W.	R.T.W.
S	S	S			

The employee returns to work on Monday without the medical evidence to substantiate his disability on Wednesday through Friday. The employee will not be paid Salary Continuation for Wednesday through Friday.

#### EXAMPLE 4

T	F	S	S	M
N.W.	N.W.	N.W.	N.W.	R.T.W.
S	S			

The employee returns to work on Monday without the medical evidence to substantiate his disability for Thursday and Friday. The employee will not be paid Salary Continuation for Thursday and Friday.

The payment of Salary Continuation in the above examples resolves the questions you raised regarding the effect of the changes in the Insurance Program on the Salary Continuation Plan.

#### B. Notice of Layoff

In situations where a disability starts after an employee has been notified of his last day to be worked and Salary Continuation payments cease as of this last scheduled work day, the Corporation agrees to meet with representatives of the Chrysler Department of the International Union to discuss and work out a solution on individual cases to the mutual satisfaction of both parties.

#### C. Salary Continuation - 3-Day Back Up

In each case where a totally disabled employee sees a licensed physician during such disability, full salary will be paid to the employee under the Salary Continuation Plan for days not worked up to three working days (excluding Saturday and Sunday) that the employee lost immediately prior to his becoming eligible for sickness and accident benefits. Sickness and accident benefits that the employee could have received had he complied with the Salary Continuation Plan will not be subtracted from the working days for which he received full pay as set forth above.

Very truly yours,  
CHRYSLER CORPORATION  
By J. D. Wilson

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

September 29, 2003

(38) Diversity Training

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During discussions leading to the 1999 Agreement, DaimlerChrysler and the UAW discussed at length those social issues facing our workers. The parties unanimously agreed that diversity in the workplace was one of the most important issues facing the Union, Corporation, and its workers.



Accordingly, a joint study team, consisting of UAW and management members of the National Training Center staff, along with representatives from the Corporation's Diversity and Work/Family department was established to develop, implement, monitor and evaluate a diversity training program for all employees. The parties reaffirmed their strong commitment to the program during the 2003 discussions and agreed to explore and implement the inclusion of diversity training in other National Training Center Programs such as Employee Participation, Paid Educational Leave and the Local Joint Training Facilitators Program. Status updates for existing programs and recommendations for continued diversity training opportunities will be presented to the Joint Activity Board (JAB) and the National Employee Participation Council (NEPC) quarterly. Funding for this activity will be provided from National Training Funds upon approval by the Joint Activity Board.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By: Nate Gooden

October 18, 1993

O & C & E  
(39) Liberty

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During the recent negotiations the Union expressed concern about its continuing role in Liberty activities, a desire to maintain involvement, and an interest in exploring approaches which could expand the number of represented employees both involved at and supporting Liberty and Technical Affairs.

The Corporation reviewed the history of Liberty, including the fact that it has now evolved into Liberty and Technical Affairs. Liberty, initially a new small car project, was given a new charter and began to focus on the development of the LH Project. Through the efforts of the Liberty organization, the LH Project became a reality after being passed on to areas such as Vehicle Engineering and Outer Drive Manufacturing Technical Center. Liberty and Technical Affairs, a smaller organization, is focusing on new projects and continues to provide involvement for represented employees within the organization. In addition, there are significant numbers of represented employees involved in support activities in Vehicle Engineering, Product Design, Manufacturing Engineering and similar work groups and the Corporation, on its own

initiative, regularly considers ways in which represented employees can be utilized. Also, if a particular Liberty project grows, more represented personnel are normally assigned to Liberty and Technical Affairs and/or involved at other Chrysler-UAW facilities as demonstrated by the LH Project.

The advanced, innovative, frequently changing and broadly defined nature of the work at Liberty and Technical Affairs does not lend itself to precise or firm predictions on the specific projects which will be undertaken. Consequently, the Corporation is not able to make commitments as to future facility, capital or manpower requirements or the extent of involvement by represented employees. Factors which influence the level of involvement include nature of the projects, duration of the work effort, resource authorizations, types of skills required, availability within the Corporation of required skills within the timing constraints of the project and similar considerations. Nonetheless, without making specific commitments, the Corporation will continue to be guided by the philosophy it has followed since the start up of Liberty and the involvement of Liberty and Technical Affairs which has resulted in significant involvement of represented employees. The Corporation reaffirms its intent to continue involving represented employees.

At the request of the International Union, the Corporation is prepared to meet periodically and review the activity of Liberty and Technical Affairs.

Consistent with the above, it is agreed that following notice of ratification of the National Engineering Agreement a meeting may, upon the International Union's request, be convened at Liberty and Technical Affairs, consisting of representatives from the International Union, Local Union and the appropriate management representatives to review the current status of Liberty and Technical Affairs and discuss its future, including the proper approach for monitoring this activity on a continuing basis.

Very truly yours,  
CHRYSLER CORPORATION  
By C. H. Eschenbach

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

September 27, 1999

(40) Family Services Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The Corporation and the UAW recognize the importance of addressing societal changes and the demands of balancing work and family life. In this regard, the parties agreed to establish a Joint Study Committee composed of an equal number of UAW and DaimlerChrysler Corporation employees. Members of this committee shall be appointed by the Co-chairs of the Joint Activities Board (JAB).

The purpose of the Joint Study Committee shall be to explore opportunities to expand provisions of existing programs, including but not limited to, Child/Elder Care, Employee Assistance Program, Personal Financial Planning, and Youth Programs, in an attempt to be more responsive to family needs.

These initiatives will focus on the needs of the multigenerational workplace and recognize the workers and their families as whole family units. Program services to be explored could include, but not be limited to: counseling referrals for understanding family and adolescent relationships, parenting education, tutorial services and other family related support services.

The parties further agreed that findings and recommendations from the Joint Study Committee will be presented to the Joint Activities Board (JAB) within 90 days of ratification. The JAB shall have the authority to allocate resources from the National Training Center to implement those recommendations deemed appropriate.

Very truly yours,

DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

November 19, 1990

O & C & E  
(41) Absenteeism

International Union, UAW  
Attention: Mr. Stan Marshall  
Dear Sirs:

During negotiations leading to the current National Office and Clerical and Engineering Agreements, the parties discussed

the adverse impact of absenteeism on quality, efficiency of operations and costs, as well as the unfair burden placed on those employees who regularly work as scheduled. To that end, this letter will serve to notify the International Union of the Corporation's intent to deal with the employee who continues to breach the obligation to work regularly as scheduled in return for the benefits of employment and job security afforded by the present Agreements.

While this letter is not intended to deal with employees whose records should appropriately be addressed by corrective, progressive discipline, it is intended to apply to employees who avoid corrective, progressive discipline by attributing their absences to frequent and recurring illnesses, and therefore, have become, in effect, part-time employees who enjoy full-time benefits and job security.

The Corporation informed the Union that methods for dealing with these employees shall include, but not be limited to, counseling and where appropriate referral to outside agencies, denial of benefits, independent medical exams, and possible discipline up to and including discharge. Disputes are subject to the Grievance Procedure, and appeal of a termination may be referred directly to the second step of the Grievance Procedure. If unresolved, the issue may be referred to an Impartial Chairman who will determine if in fact the individual has become a part-time employee being afforded full-time benefits and job security, and therefore, such termination was proper.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

February 3, 1971

O & C & E  
(42) Seniority of Officers

International Union, UAW

Dear Sirs:

Notwithstanding the provisions of Section (44) of the National Office and Clerical and National Engineering Agreements, it is agreed that in Amalgamated Local Union No. 889 and Amalgamated Local Union No. 412, up to three (3) Amalgamated Local Vice-Presidents shall, in the event of layoff and recall be continued at work at all times when one or more departments or functions thereof are at work, provided that they have the ability to perform the available work.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

February 3, 1971

O & C & E  
(43) Restricted Area

International Union, UAW

Attention: Mr. Robert H. Taylor

Dear Sirs:

If, in connection with the investigation of a pending grievance under the National Office and Clerical Agreement or the National Engineering Agreement, both dated February 3, 1971, a dispute arises concerning access by a Steward to an area that is restricted for security reasons or in which employees are not members of a bargaining unit, the Steward shall refer the matter to the Unit President or the Unit Chairman as the case may be. The Unit President or Unit Chairman may discuss the matter with the Labor Relations Supervisor at the plant. If the

dispute is not satisfactorily resolved, it may be referred to Corporate Union Relations and the International Union.

If, in connection with the investigation of a grievance at Step 2 of the Grievance Procedure, by one of the two Union representatives specified in Section (21)(d) in said Agreements, a dispute arises concerning access by such representative to an area restricted for security reasons or in which employees are not members of a bargaining unit, the Unit President or Unit Chairman, as the case may be, may discuss the matter with the Labor Relations Supervisor at the plant. If the dispute is not satisfactorily resolved, it may be referred to Corporate Union Relations and the International Union.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

October 28, 1985

O & C & E  
(44) Regional Representative

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

During our recent contract negotiations, Subsections (21)(f) and (22)(a) of the National Office and Clerical and National Engineering Agreements were amended to provide that after the final plant answer, grievances will be referred to the Regional Director or his designated representative for further action.

During these discussions your Union explained that in some cases the thirty (30) day period for appeal of grievances to the Appeal Board may be insufficient for a proper review. This could lead to the appeal of grievances which would not otherwise be appealed if an extension of the time limit could be obtained. In addition, we discussed a procedure permitting the

Regional Director or his designated representative to withdraw a grievance without prejudice.

In the interest of providing the Regional Director sufficient time to review a grievance prior to its appeal to the Appeal Board, we will make arrangements whereby the Regional Director may obtain an extension of the time to appeal a grievance involving a matter within the power and authority of the Appeal Board up to a maximum of thirty (30) days. Such requests shall be made in writing to the Corporate Union Relations Department.

We will also make arrangements for the Regional Director or his designated representative to withdraw without prejudice any such grievance. Requests for withdrawal of a grievance without prejudice shall be made in writing to the Corporate Union Relations Department. All financial liability on any grievance so withdrawn shall be cancelled. If the grievance is reinstated in the Grievance Procedure, the financial liability shall date only from the date of reinstatement. If the grievance is not reinstated within ninety (90) days from the date of withdrawal, it shall not be reinstated.

The Corporation may suspend or terminate all or part of the provisions of this letter by giving ten (10) days' written notice to the International Union.

Very truly yours,  
CHRYSLER CORPORATION  
By T. B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

September 29, 2003

O & C & E  
(45) New Hire Orientation Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations leading to the National Office and Clerical and Engineering Agreements, the parties agreed to include newly hired salary bargaining unit employees in the jointly developed, standardized New Hire Orientation Program. It is intended that newly hired salary bargaining unit employees would attend a scheduled orientation when the number of new hires, hourly and/or salary, warrants such a Program.

The orientation will be piloted at a Metro Detroit area location, and phased into outstate Manufacturing and Mopar locations. This standardized training will be followed by additional training, as warranted, at the specific location where the employee is assigned to work. Employees will be scheduled, and on a straight time basis, paid for both the standardized and location specific orientation.

The orientation will provide information regarding our business, the benefits, opportunities and responsibilities they will have as employees of the Corporation and as members of the Union, to include the history of each organization. The information may also include the Union's and Corporation's perspectives on issues which affect the workplace and community. The location specific orientation shall be conducted, in part, by a representative of the Plant Human Resource Department and, in part, by a Union official. The orientation shall be conducted during normal working hours allowing for Local Union input and presentations.

In the event that either party believes the program does not meet the provisions of the letter, notification of the parties' concerns may be given; if by the Union to the Corporate Union Relations Staff, or if by the Corporation to the DaimlerChrysler Department, International Union, UAW.

The Program will not be subject to the Grievance Procedure and may be terminated by either the International Union or the Corporation, upon written notice to the other party.



Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:  
INTERNATIONAL UNION, UAW  
By Nate Gooden

October 18, 1993

O & C & E  
(46) Outside Use of Joint Training  
Facilities and Materials

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the current negotiations, the parties discussed the appropriateness of third parties such as non-Chrysler UAW represented employees, non-bargaining unit Chrysler employees or other mutually agreed upon persons using joint training and development facilities and/or programs and materials on a reimbursement basis.

As a result, the parties agree to make available such facilities and/or programs on a cost reimbursement basis after first ensuring that the needs of the National Training Center and the Local Joint Training Committees are met.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:  
INTERNATIONAL UNION, UAW  
By Stan Marshall

September 21, 1973

O & C & E  
(47) Vacation

International Union, UAW

Attention: Mr. Robert Taylor

Dear Sirs:

Sections (76)(d) and (78)(d) of the National Office and Clerical and Engineering Agreements provide that an employee who has been on disability absence for over one year and does not work for thirty (30) calendar days in the current year, shall not be eligible for vacation accrued in the previous calendar year.

This will confirm that, notwithstanding these provisions the Corporation will give consideration on an individual basis to granting vacation eligibility to such an employee who goes directly from a disability absence to retirement status.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Robert H. Taylor

September 29, 2003

O & C & E  
(48) COLA-Calculation and Notification

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This letter is to confirm certain agreements reached by DaimlerChrysler Corporation and the International Union, UAW, regarding the establishment and calculation of the Cost-of-Living

Allowance for purposes of Section (92) of this Agreement.

Beginning with the effective date of this agreement, cost-of-living adjustments shall be calculated with reference to the CPI-W (Current Series) for All Items Less Medical Care, U.S. city average, not seasonally adjusted, 1982-84=100.

The table in Section (92)(d) has been constructed to provide that \$.40 adjustments in the Cost-of-Living Allowance shall become payable, sequentially, for each 0.08, 0.08, 0.08, 0.08, 0.08, 0.09, 0.08, 0.08, 0.08, 0.08, 0.08 and 0.09 change in the Average Index, and so forth, with that sequence being repeated thereafter in the table so as to produce an average adjustment over time of \$.40 for each 0.08159 change in the Average Index.

In applying the provisions of Section (92) of the Agreement, the Corporation shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months, rounded to the nearest 0.01 index point using the Engineering Method of Rounding as described in the attachment. This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Index for the third month used for each adjustment period in accordance with Section (92), Subsection (c) of the Agreement.

If the Union claims that the Corporation's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may refer the matter to the Appeal Board.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

Attachment

#### ENGINEERING METHOD OF ROUNDING

The following rules of rounding shall apply to the determination of the Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to five digits, 130.6546 becomes 130.65.

2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to five digits, 130.5557 becomes 130.56.

3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to five digits, 130.55500 becomes 130.56 and 130.56500 becomes 130.56.

September 27, 1999

O & C & E  
(49) Bereavement Pay

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

In the event a member of an employee's immediate family dies while in the active service of the Armed Forces of the United States, the employee may, should the funeral be delayed, have such excused absence from work delayed until three (3) of the employee's normally scheduled working days, or five (5) of the employee's normally scheduled working days in the case of the death of an employee's current spouse, parent, child or stepchild, that include the date of the funeral.

In the event the body of a member of an employee's immediate family is not buried in continental North America solely because the cause of death has physically destroyed the body, or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

In the event an employee is granted a leave of absence because of the illness of a member of his immediate family and such family member dies within the first seven (7) calendar days

of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

In the event the body of a member of an employee's immediate family is not buried in continental North America and a memorial service is held within ten (10) calendar days of the date of death, the employee shall be eligible for bereavement pay in accordance with Section (66), provided the employee furnishes local Management with documentation reflecting the employee attended a bona fide memorial service held at a funeral home or an acknowledged place of worship.

In the event the funeral of an immediate family member is delayed for reasons other than those cited in the above paragraphs, an employee excused from work under Section (66) may receive bereavement pay for up to three (3) days of absence, or up to five (5) days of absence in the case of the death of an employee's current spouse, parent, child or stepchild, taken in conjunction with the funeral provided he attends the funeral. This includes days immediately preceding or days immediately following the date of the funeral even if one or more of the successive days in question occurs after the tenth (10th) day following the date of death.

In determining whether an employee on layoff or leave of absence may qualify for bereavement pay on the occasion of the death of a member of the employee's immediate family, the count for the bereavement period shall begin with the day immediately following the date of death, rather than with the day of death under the current practice.

An employee's immediate family includes those members named in Section (66) of the Office and Clerical and Engineering Agreements.

In the event an employee's spouse of five (5) years or longer has predeceased his or her parent, and in the event of the death of a parent of that former spouse, the provisions of Section (66) of the National Office and Clerical and Engineering Agreements will apply, provided the employee has not remarried.

Notwithstanding the bereavement pay eligibility requirements of Section (66), this will confirm our understanding that representatives of the UAW National Chrysler Department and representatives of Union Relations Staff of the Employee Relations Office, may discuss the disqualification of certain employees from bereavement pay due to the unique

circumstances associated with the death of an immediate family member to determine on a case-by-case basis the possibility of providing bereavement pay to these otherwise ineligible employees.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 28, 1985

O & C & E  
(50) Qualifying Periods

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

During the recently concluded collective bargaining negotiations, the Union expressed its concern that employees were occasionally promoted, pursuant to Sections (60) and (61) or given work opportunity pursuant to Section (54) of the National Office and Clerical or the National Engineering Agreements, without proper orientation to the new position. We advised you that pursuant to the various propositions discussed during negotiations that such employees shall be subject to a sixty (60) day qualifying period. During the qualifying period, such employees shall receive instructions and directions in the performance of the new position. Furthermore, during this period, the employee shall be appraised and the appraisal shall be discussed with the employee on the thirtieth (30th) and sixtieth (60th) day of employment on the new position. If, at the conclusion of the qualifying period, the employee has not exhibited the ability to perform the new position, he shall be returned to his former position or status. In addition, during such qualifying period, Management shall not be obligated to schedule the employee for overtime assignments.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

September 27, 1999

O & C & E  
(51) Vacation Scheduling

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

In administering Sections (76)(b) and (76)(d) of the National Engineering and Office and Clerical Agreements, the Corporation's interpretation of the above mentioned Sections will be as follows:

**Section (76)(b)**

Exceptions to the weekly scheduling requirement such as scheduling vacation in less than five (5) day increments may be made on an individual basis considering the wishes of Management, the employee, and the efficient operation of the department, providing the request does not adversely impact the vacation schedules of other employees.

**Section (76)(d)**

(a) An employee who is on Salary Continuation on December 31 of the calendar year but has not taken all of that year's earned vacation, shall be allowed to postpone up to a maximum of five (5) days earned vacation which must be used by December 31 of the next calendar year and is not subject to the provisions of (b) below.

(b) An employee whose work schedule precludes taking earned vacation in the current year for such business related reasons as product launch or year end closing may be allowed to postpone up to a maximum of ten (10) days earned vacation subject to the following conditions: (i) Management must agree to such postponement, (ii) the request does not adversely impact the efficient operation of the department or the vacation schedules of other employees, (iii) any postponed vacation must be used by the end of the fourth quarter of the next calendar

year or be forfeited, and (iv) disputes concerning postponement of vacation are not subject to the Grievance Procedure.

Employees who have postponed vacation in accordance with the provisions of this Letter, in the event of layoff, transfer or termination, shall receive payment of unused postponed vacation in accordance with the provisions of Section (78).

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 14, 1986

O & C & E  
(52) Paid Educational Leave

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed to continue the National Paid Educational Leave (PEL) Program which provides UAW, Chrysler leadership and selected employees with a unique educational opportunity to enhance their knowledge of the automobile industry. Sponsored candidates are approved in advance by the UAW-Chrysler National Training Center. Expenses and lost time for participants in the program are provided from national joint training funds.

The jointly developed and administered Paid Educational Leave Program utilizes industry experts, university analysts and political officials to examine and discuss the economic, technological, and political forces influencing the future of the worldwide automobile industry.

During these negotiations, the parties have reconfirmed their support of the National Paid Educational Leave Program.



During the term of the 1990 National Agreement, the parties developed a Regional/Local version of the PEL Program. It is the intention of the parties to refine and offer this option during the current agreement with funding to be provided from Local Joint Training Committee accounts. The National Training Center will also consider developing a specialized PEL type program for individual plants based on local considerations.

Further, the parties agreed in 1990 to jointly develop a Union and Company Awareness Program regarding the long historical relationship between the UAW and Chrysler. The parties further agree that this program will be incorporated into the format of the National and Region/Local PEL programs.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 28, 1985

O & C & E  
(53) Supervisory Ratio

International Union, UAW  
Attention: Mr. Marc Stepp

Dear Sirs:

In the course of these negotiations, the Corporation presented to the Union, workforce data reflecting the number and percent of Management and other non-bargaining unit employees in relation to bargaining unit employees. Examination of the data established that there were no essential differences in the relationships on any of the dates referenced in the data and reductions occurred on a generally proportionate basis.

The parties recognize there could be cases in some locations where there may appear to be disproportionately high numbers of employees who directly supervise bargaining unit

employees. Management has agreed to review and discuss any relevant information and data presented by the Union regarding such claims in a meeting attended by the Plant Manager or his equivalent in non-manufacturing operations, the Personnel Manager and the Department Manager, and by the Local Unit President/Chairman, the Local Union President and the Regional Representative. It is agreed that in analyzing such data, consideration must be given to the composition of the total plant/office organization and current operational requirements.

If such claims are not settled, they may be referred to the International Union who may request Corporate Union Relations to make arrangements for a representative of the International Union to discuss the matter with the principal operating manager of the related division or group and its Personnel Manager. If the Union's claim is not resolved after relevant facts are exchanged between the parties, the Union may refer it to the Vice President and Director, Chrysler Department, UAW, who may request that Corporate Union Relations arrange for him to discuss the claim with the Executive Vice President and the Personnel Manager for the operating function.

It is intended that such meetings will be held as expeditiously as the circumstances permit.

It is also agreed that in order to minimize possible future misunderstandings during temporary layoffs, the following instructions have been given to the plants/offices relative to temporary layoffs:

During periods of temporary layoff, supervisory personnel will be temporarily laid off unless (a) they are on vacation, (b) they are supervising employees who remain at work, or (c) they are required for training or to perform definite assignments.

In the event supervisors are retained in accordance with (c) above, local management will, upon request, advise the Local Union of the numbers of supervisors scheduled to work and the reasons for retaining such supervisors.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Marc Stepp

October 28, 1985

O & C & E  
(54) Multiple Starting Times

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

During negotiations of the collective bargaining agreement dated today, the Union expressed its concern with multiple starting times on a shift.

The Corporation explained that starting times at individual Corporation locations are based primarily on the nature of the operations and are established to provide for the efficient utilization of manpower and facilities in order to achieve operating objectives.

Recognizing the concern of both parties, it is agreed that if within a unit there are multiple starting times among employees on the same classification, in the same department on the same shift, the Local Union may request the Plant Management to negotiate an agreement covering the selection of shift starting times. Any such agreement shall have sufficient flexibility to give full protection to the efficiency of operations at all times.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

December 10, 1982

O & C  
(55) Work Opportunity

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During the recent negotiations, the parties discussed at length the Union's proposals to modify the Seniority and Layoff and Recall Sections of the National Office and Clerical Agreements. These Union proposals were intended to ensure that, wherever possible, long service/seniority office and clerical employees in Detroit area plants would receive maximum work opportunity considerations.

In discussing these proposals, the Corporation and Union agreed that complex operating problems exist at the present time, including the continuing restructuring of the Corporation and the uncertainty of the general economy, which vitally affect the Corporation's plants and offices especially in the area of manpower planning. Additionally, the parties recognize that it is imperative that the Corporation's offices and facilities operate in an orderly and efficient manner. It was for these reasons that the Corporation was unwilling to grant the Union's proposals.

However, in the event the International Union can demonstrate during the term of the new Agreement that there are office and clerical employees in Detroit area plants with substantial amounts of service/seniority who have been laid off for considerable periods with little or no likelihood of recall to their own plant, the Corporation would be willing to discuss the feasibility of various plans/programs that would have as their goal providing work opportunities for these employees. Such plans/programs may include provisions for the displacement of lower service/seniority office and clerical employees in Detroit area plants and if agreed upon, would be implemented in an expeditious and consistent manner.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

September 29, 2003

O & C & E  
(56) Activities Representative - Huntsville,  
New Venture Gear,<sup>1</sup> Kokomo/ITP, St. Louis, Belvidere and  
Newark

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the recent negotiations, the Union expressed concern with respect to having its salaried members at the Huntsville, New Venture Gear and combined Kokomo/ITP locations properly serviced in matters pertaining to Health and Safety, EAP, Benefits and other activities as may be assigned.

Accordingly, it is agreed that, subject to the conditions set forth below, the International Union, UAW may appoint one (1) Activities Representative each for the Huntsville, New Venture Gear,<sup>1</sup> the combined Kokomo/ITP, St. Louis, Belvidere and Newark locations who shall be a regular salaried employee on the active roll having seniority and in a unit represented by the UAW. Responsibilities will include but are not limited to the following:

-- Health and Safety matters pursuant to the terms and conditions of the Memorandum of Understanding - Health and Safety.

-- EAP duties as deemed appropriate pursuant to the terms and conditions as set forth in Letter (74), Employee Assistance Program Representative.

-- Benefit matters relating to pension, insurance programs and SUB local appeal matters subject to the terms and conditions as set forth in Letter (62).

-- Other activities that may be required and agreed upon by the parties.

It is understood that the Representative's hours per week for the foregoing shall not exceed forty (40) for Huntsville, twenty four (24) for New Venture Gear, forty (40) hours for the combined Kokomo/ITP, sixteen (16) for St. Louis, eight (8) for Belvidere and sixteen (16) for Newark.

Should administrative questions pertaining to the terms and conditions of this letter arise, they shall be referred to the International Union, UAW and the Corporate Union Relations Office for resolution.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 25, 1979

Engineering  
(57) Interpretation-Section (1)(b)

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the recent negotiations, we have discussed at length the application of Section (1)(b) of the National Engineering Agreement to the employees of a new plant.

The parties acknowledged there are factors which should be considered in the determination of the recognition of salaried engineering and technical versus hourly employees at new plant locations and that circumstances in each case may be different.

The Corporation advised the Union that if a new plant in the United States is opened by the Corporation (i) to produce a product that is the same as that being produced in a plant in which the Union is currently the bargaining representative for the engineering and technical employees, and (ii) when hourly employees in the new plant are granted recognition under the National Production and Maintenance Agreement, then such new plant will be considered to be covered by Section (1)(b) of the National Engineering Agreement as though there has been a transfer of operations.

It is understood and agreed the foregoing will apply only to new plants of the Corporation.

The International Union, UAW, shall indemnify the Corporation and hold it harmless against any and all penalties, damages, or claims, including reasonable counsel fees, by reason of or arising out of compliance by the Corporation with the terms of this Letter or in the interpretation or application of Section (1)(b).

Very truly yours,  
CHRYSLER CORPORATION  
By T. W. Miner

September 29, 2003

O & C & E  
(58) Child/Elder Care

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties acknowledged that Child and Elder Care are two of the most important issues facing DaimlerChrysler Corporation employees.

To address these important issues, the Joint Activities Board has directed the following actions:

1. Continue with the responsibility for research, development, oversight and monitoring of child and elder care programs, including ongoing education and promotional programs at all DaimlerChrysler Corporation facilities.

2. Continue to provide a telephone access Resource and Referral program that is accessible to all DaimlerChrysler Corporation locations to assist employees with obtaining quality care of children and elderly dependents. The resource and referral vendor will also provide educational information on general parenting and a variety of work/family topics.

3. Continue to explore the possibilities of expanding childcare to other locations.

4. Continue efforts toward a consortium-operated or NTC owned child care facility and explore other methods for providing child care services. This may include, but not be limited to, support to enhance existing childcare services in the community. All pertinent issues will be addressed, including potential consortium members, format, cost-sharing arrangements as well as location, size, services to be provided, and others. We will continue the Detroit area pilot consortium projects through the Alliance for Children and Working Families, to provide and improve existing child care services. Moreover, we will develop and implement similar programs for other DaimlerChrysler Corporation locations, through consortiums with other local businesses, as appropriate. A recommendation will be developed and presented to the Joint Activities Board.

5. Continue to affirm our commitment to evaluate existing UAW-DaimlerChrysler Elder Care Needs Assessment Survey data to determine employee needs. If warranted, the NTC will continue to conduct additional surveys and explore options regarding the Elder Care Program, including a Care Manager Program to provide initial geriatric assessments for active employees whose parent(s), step parent(s), parents-in-law or elderly dependents are in need of help in locating additional assistance.

6. Continue the summer program for UAW-DaimlerChrysler school-age children in Huntsville, Alabama. Continue the Detroit area pilot summer programs through the Alliance for Children and Working Families. Expand the program to other cities with DaimlerChrysler Corporation facilities through consortiums with other local businesses, as appropriate, pending approval by the Joint Activities Board.

7. Provide information, upon request, to employees regarding latch key issues and explore a method to establish a Latch Key program at other DaimlerChrysler Corporation facilities. In that regard we agreed to continue the latch key before-and after-school program with the Detroit area school systems, through the Alliance for Children and Working Families. Moreover, we will expand these programs to other communities with DaimlerChrysler Corporation facilities through consortiums with other local businesses, as appropriate, pending approval by the Joint Activities Board.

8. Continue the employee-funded Dependent Care Assistance Plan administered by the DaimlerChrysler Health Care, Group Insurance and Health Promotion Department. This



program will enable active employees to pay for dependent care services using pre-tax dollars.

As discussed, funding for the program will be provided by the UAW-DaimlerChrysler National Training Center.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 25, 1979

O & C  
(59) Interpretation-Section (1)(b)

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the recent negotiations, we have discussed at length the application of Section (1)(b) of the National Office and Clerical Agreement to the employees of a new plant.

The parties acknowledged there are factors which should be considered in the determination of the recognition of salaried office and clerical versus hourly employees at new plant locations and that circumstances in each case may be different.

The Corporation advised the Union that if a new plant in the United States is opened by the Corporation (i) to produce a product that is the same as that being produced in a plant in which the Union is currently the bargaining representative for the office and clerical employees, and (ii) when hourly employees in the new plant are granted recognition under the National Production and Maintenance Agreement, then such new plant will be considered to be covered by Section (1)(b) of the National Office and Clerical Agreement as though there has been a transfer of operations.

It is understood and agreed the foregoing will apply only to new plants of the Corporation.

The International Union, UAW, shall indemnify the Corporation and hold it harmless against any and all penalties, damages, or claims, including reasonable counsel fees, by reason of or arising out of compliance by the Corporation with the terms of this Letter or in the interpretation or application of Section (1)(b).

Very truly yours,  
CHRYSLER CORPORATION  
By T. W. Miner

September 29, 2003

O & C & E  
(60) Tuition Assistance Plan

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During current negotiations, DaimlerChrysler and the UAW reaffirmed the necessity of providing active and laid-off employees opportunities for education and training. These efforts will enable them to either reenter the work force or enhance their development. Accordingly, the parties hereby agree to continue the Tuition Assistance Plan for all qualifying employees who wish to pursue further education and training. The plan is designed to help workers:

-- who are laid off to improve their chances for reemployment,

-- or who are on the active roll to enhance their opportunities for advancement.

Under this Plan, qualified employees are able to receive assistance in the form of up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits workers to select many types of vocational training or education, for their situation and goals, subject to approval by the UAW/DaimlerChrysler National Training Center.

## **Courses**

Suitable courses are those approved by the UAW/DaimlerChrysler National Training Center,—including, but not limited to, those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes and career development courses.

Certain job-related seminars, correspondence, and home study programs may be considered for approval according to specific guidelines developed by the National Training Center.

## **Schools**

Acceptable schools are those approved by the UAW/DaimlerChrysler National Training Center including, but not limited to, those generally recognized by accrediting agencies or under governmental education agencies.

## **Prior Learning Credits**

Costs to obtain college credit for work experience or for in house sponsored training programs are appropriate charges against the Tuition Assistance Program.

## **Funding**

The Plan shall be funded by the UAW/DaimlerChrysler National Training Center.

## **Administration**

The Plan will be jointly administered by the UAW/DaimlerChrysler National Training Center.

The National Training Center has the authority and discretion to interpret the terms of the Plan, including but not limited to, the authority and discretion to approve schools and courses under the Plan and to issue guidelines interpreting the Plan.

## **TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS**

### **Eligibility**

The participant must be a UAW represented DaimlerChrysler Corporation employee on the active employment rolls or on temporary layoff with seniority under the terms of the current DaimlerChrysler Corporation UAW National Agreement. However, employees who are attending a degree seeking program and become temporarily disabled due to a compensable occupational injury may be entitled to utilize the

applicable Tuition Assistance to enroll in one additional college term.

### **Type of Assistance**

The Plan will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The type of assistance shall be determined according to the following categories and benefit levels specified below:

- \$4,600 per year for courses at regionally accredited colleges or universities

- \$2,050 per year for other job related courses

- \$1,500 per year for courses taken for personal development, not related to the employee's current job assignment, through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others.

### **Advance Payment**

Employees enrolled in degree programs through accredited institutions, who exhaust the current year tuition eligibility, may utilize up to \$1,000 of the following year's eligibility to cover appropriate expenses.

The payment of up to \$1,000 will occur automatically when the request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of the Agreement, and does not expand tuition assistance.

Employees participating in more than one of the above categories of tuition assistance will not be eligible to receive more than a combined total of \$4,600 per calendar year.

Additionally, the spouse and dependent children of a deceased active employee will be entitled to utilize the remaining balance of the employee's annual Tuition Assistance eligibility for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

## TUITION ASSISTANCE PLAN FOR LAID OFF EMPLOYEES

### Eligibility

The participant must be a UAW represented DaimlerChrysler Corporation employee on indefinite layoff, who has recall rights under the terms of the current DaimlerChrysler-UAW National Agreement, and who had at least one year seniority as of the last day worked prior to layoff. Also included are union officials on leave of absence under Section (80)(a)(i) of the National Agreement.

### Type of Assistance

The Plan will provide for tuition and compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,000 of tuition assistance while on indefinite layoff except as specified below. Eligibility is established by seniority as of last day worked prior to layoff as follows:

### SENIORITY AS OF DATE OF LAYOFF

1 to 3 Years	\$6,400
3 to 4 Years	\$7,400
4 or more Years	\$8,400

The above specified amounts shall constitute an account upon which the employee may draw so long as the employee retains recall rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall rights are lost under the terms of the DaimlerChrysler-UAW National Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at DaimlerChrysler, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,400 in any four (4) calendar year period.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

O & C & E

(61) Labor Market Area Placement Election

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations, the parties discussed the procedures for developing the order of placement of employees from the Combined Labor Market Area list on job opportunities within the Labor Market Area pursuant to Paragraph III. C. of the Memorandum of Understanding - Salaried Workers' Employment Security System. The parties agreed that, for placement purposes, employees on the Combined Labor Market Area List will be offered, in seniority order, the opportunity to volunteer for openings based on a non-revocable election made at such time as they are indefinitely laid off or assigned to Protected employee status. Volunteers will be placed in seniority order. Absent volunteers, the junior employee on the Combined Labor Market Area List must transfer to the new location or be separated from the Corporation as a resignation.

The parties further agreed that during the initial development of the Combined Labor Market Area List, a one-time canvass will be conducted of all laid off employees to provide them an opportunity to make a non-revocable election to volunteer for placement within the Labor Market Area. The laid off employee canvass will occur as soon as practicable, but no later than sixty (60) days following the ratification of the Agreement.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

O & C & E  
(62) Benefit Plans Representative

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the recent negotiations, the Union expressed concern with respect to servicing its members at certain locations on matters relating to pension, insurance programs, and SUB local appeal matters.

Accordingly, it is agreed that, subject to the conditions set forth, the International Union, UAW may:

A. Appoint two (2) Salaried Benefit Plans Representatives, who shall be regular salary employees on the active roll having seniority and working in the DaimlerChrysler Center Complex in a unit represented by Local No. 412, and one (1) Salaried Benefit Plans Representative who shall be a regular employee on the active roll having seniority and working in a unit represented by Local No. 889, to handle such matters for all units of Local No. 889 members. The maximum number of hours per week in which each Benefit Plans Representative will be allowed to perform his functions shall be determined on the basis of the number of represented employees on the active roll at the DaimlerChrysler Center Complex represented by Local No. 412 and all units of Local No. 889, respectively, in accordance with the schedule specified in the Production and Maintenance Benefit Plans Representative Letter dated May 16, 1988.

B. A Part-Time Salaried Benefit Plans Representative, who shall be a regular salaried employee on the active roll having seniority and working, for each of the following geographic locations: Chelsea Proving Grounds and Local 212 Engineering Units. Such representatives shall function only so long as the number of represented employees on the active roll at those locations listed above remains at 101 employees or more. A Benefit Plans Representative shall be allowed up to a maximum of eight (8) hours per week without loss of pay for time spent in handling such benefit matters.

Such aforementioned agreement is subject to the following conditions:

(i) If the Benefit Plans Representative wishes to leave his work to handle one of the aforesaid matters for an employee at his plant, he shall so advise his supervisor and report to his supervisor when he has disposed of the matter. Before talking to the employee, the Benefit Plans Representative shall also make prior arrangements with the employee's supervisor to do so;

If the Benefit Plans Representative has occasion to visit another plant in relation to a benefit matter, he shall make arrangements in advance with that plant's Labor Relations Department and identify the specific problem and the area he wishes to visit. After arrangements are made, he shall notify his supervisor of his destination and time of departure. Upon arrival at the other plant, he shall contact the Labor Relations Department which will make arrangements for him to speak to the employee or visit the area involved. He shall notify the Labor Relations Department of his departure time;

The Benefit Plans Representative shall keep a daily log of such visits, noting his destination and arrival and departure times. Such log will be submitted to his supervisor each day.

(ii) The Benefit Plans Representative shall be restricted to non-premium hours in handling such benefit matters and the time spent on them shall be compensated at his regular salary rate.

(iii) The privilege of the Benefit Plans Representative to leave his work during regular working hours without loss of pay is subject to the condition that the time will be devoted to the prompt handling of benefit matters and will not be abused, and that the Benefit Plans Representative will perform the work to which he is assigned at all times, except when necessary to leave his work to handle matters as provided herein.

(iv) Notwithstanding his position on the seniority list, the Benefit Plans Representative shall in the event of a temporary layoff or an indefinite layoff be continued at work at all times when one or more departments or fractions thereof, of his unit, are at work, provided he has the ability to perform the work being done at the time.

(v) If the Corporation believes that the Benefit Plans Representative is abusing any of the provisions hereof, it may upon thirty (30) days' written notice to the International Union terminate this arrangement.



The Benefit Plans Representative shall perform only the duties of Union representatives as expressly set forth in the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan. Other salaried Union representatives in the complex, plants or offices shall not participate in benefit plan matters except as any of them has been designated to act as the second member of a local committee pursuant to the Supplemental Unemployment Benefit Plan.

The Benefit Plans Representative shall not participate in the Grievance Procedure and those matters with which such Benefit Plans Representative deals shall not be subject to the Grievance Procedure but shall be subject to the review procedure specified in the appropriate Plan or Program.

A Benefit Plans Representative shall not function as provided herein unless and until the International Union (i) sends written notice to the Corporation of the name of the employee, his plant, department and social security number and (ii) until the Corporation advises the plant of the designation and the effective date thereof.

A Benefit Plans Representative shall also cease to function as provided herein upon receipt of written notice from the International Union to the Corporation. Such notice shall include the same identification information as set forth above.

The Corporation further agrees it will, insofar as is reasonably practicable, cooperate with such employee in performing his function as a Benefit Plans Representative.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

November 19, 1990

O & C & E  
(63) Grievances/Special Conferences

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

Both the Corporation and the Union acknowledge that the purpose and intent of the Grievance Procedure is to assure the prompt, fair and orderly resolution of grievances.

#### A. Grievance Meetings

The Corporation assured the Union of our desire that each grievance receive prompt, fair and objective consideration. Similarly, the Union assured the Corporation that it will make a sincere effort to see that grievances are processed without undue delay.

To encourage the prompt handling of grievances, it is agreed that if the Union has not requested a Step 2 Meeting with Management on a grievance within a reasonable time after its appeal from the previous Step, the appropriate Management representative shall advise the Union in writing of its wish to have a Step 2 Meeting on that grievance. If the Union fails to arrange a meeting to discuss the grievance within seven (7) working days from the date of Management's letter, the Corporate Union Relations Staff will discuss the matter with the International Union, which in turn, will take appropriate action to ensure a Step 2 Meeting.

If the Union claims Management is unwilling to meet on a grievance in Step 2 of the Grievance Procedure within a reasonable time after its timely appeal, it will request a meeting in writing. If Management fails to schedule a meeting in response thereto, within seven (7) working days, the International Union will discuss the matter with the Corporate Union Relations Staff, which in turn, will take appropriate action to ensure a Step 2 Meeting.

The parties recognize the value of providing a full and fair exchange of factual information and of having in attendance at grievance meetings, representatives who are qualified to discuss the facts and issues. However, except as specified in our

Agreements, there is no obligation on any particular representative to be involved in grievance meetings.

Where the Local Union believes appropriate Management representatives are not involved in grievance meetings, it shall direct its complaint to the plant Labor Relations Supervisor for review. Any unresolved problem may be referred to the International Union for review with Corporate Union Relations.

#### B. Sections (5) and (17) Meetings

If either the Local Union or plant management incur a problem with the other party in establishing: (i) dates for convening; and/or (ii) the appropriate numbers of representatives attending a meeting pursuant to Section (5) or Section (17) of the Agreements, such disputes shall be referred to representatives of the Corporate Union Relations Staff and the Chrysler Department of the International Union. Such representatives shall determine the appropriate number of attendees at such meeting and shall establish an expeditious time and date for the meeting.

#### C. Grievances - Disciplinary Action

During discussions as early as Step 2 of the Grievance Procedure of grievances over discipline, discharge and other terminations from employment, each party will present statement of position reciting facts then known on which it relies and a copy of a document or statement on which the party relies to support its position.

In the case of a document covering, or statement by, an employee who is not the grievant, the party relying on it may excise, block out, or otherwise remove, information on it that is not relevant or that would disclose the identity of the person who made the statement or concerning whom the document refers.

In cases where a prior disciplinary record is involved, the Corporation may present a written summary of the grievant's disciplinary record.

The statement of position and other statements and documents that a party has provided the other shall become part of the grievance file and may be referred to in subsequent steps of the Grievance Procedure, including the Appeal Board.

The failure or refusal of the Union to present a full oral explanation of its position shall relieve the Corporation from

presenting any statement or document on which it relies. The failure or refusal of a party to make available to the other a copy of a document or statement which it has in its possession and on which the party relies shall preclude the party from using it before the Appeal Board.

The Corporation expressed its concern that its providing to Local Union representatives involved in processing grievances copies of employee statements and corporate documents relating to employees may lead to abuses unless the statements and documents (i) are used solely in connection with the proper processing of a grievance, (ii) are otherwise kept confidential, and (iii) are not in any way used by any member of the bargaining unit to attempt to harass or intimidate an employee giving a statement or providing a document. The Union assured the Corporation that it will instruct its Local and International Representatives of these restrictions on the use of such material and the need to maintain confidentiality. The Union further represents that if a copy of a statement or document provided it in accordance with this Paragraph C. is used by its representatives or those under their control for any purpose other than the proper processing of a grievance or is publicized outside of the Grievance Procedure, the Corporation would be relieved of any obligation under this Paragraph C. at the plant where the abuse occurred.

Very truly yours,  
CHRYSLER CORPORATION  
By R. F. Whitcher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 14, 1986

Engineering  
(64) Salary Apprentice Seniority

International Union, UAW

Attention: Mr. Jim Jensen

Dear Sirs:

The Corporation and Union agree that a salaried employee who completes the salary apprentice requirements under the Supplemental Agreement provisions pertaining to Apprentices and is placed on a job in the same engineering unit and occupational group in which the apprenticeship was completed, shall be granted seniority in the engineering unit as follows:

Upon successful completion of a salary apprenticeship, the employee shall be given a seniority date in the engineering unit which represents the date the employee first entered the occupational group in which the apprenticeship was completed, provided the employee's apprenticeship was not interrupted for a continuous period of layoff equal to his seniority, or five (5) years, or time spent in the apprentice program at the time of such layoff, whichever is longer. In cases in which the apprenticeship is interrupted as described above, the Apprentice will be given a seniority date which represents the date the employee resumed status as an Apprentice in the Program in the occupational group in which the apprenticeship was completed.

An apprentice whose apprenticeship is interrupted for a continuous period of layoff equal to the seniority he had acquired at time of such layoff, or for a period of five (5) years, whichever is longer, shall lose his status as an apprentice. However, prior to the placement of new apprentices, the Chrysler-UAW Apprentice Committee shall have the authority to return the individual to the previously held apprentice classification.

Very truly yours,  
CHRYSLER CORPORATION  
By Robert A. Miller

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jim Jensen

September 27, 1999

(65) Safety and Health Audits

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the parties discussed the ongoing Joint Safety and Health Audit Program. With regard to this audit program, the parties agreed that future joint safety and health audits will continue to be conducted by a team of trained safety and health professionals under the direction of the National Joint Committee.

A joint audit team has been established at the National Training Center consisting of three (3) UAW International Representatives appointed by the Vice President and Director of the DaimlerChrysler Department UAW and three (3) Management Safety and Health professionals appointed by the Senior Vice President of Employee Relations. Both parties recognize the need to maintain a staff of qualified safety and health auditors. The National Joint Committee will develop specific training requirements for audit team members. Depending upon knowledge and health and safety experience, new members may be required to complete up to four (4) weeks of training within ninety (90) days of appointment or as soon thereafter as class availability permits.

A Nurse and a Fire Supervisor will accompany the audit team to verify plant compliance in medical and fire security programs and procedures. It is understood that these positions will be filled by utilizing existing staff on a rotational basis and that their time spent on the audit will be limited to their specific audit function.

The National Joint Committee will continue to review and provide input to the audit team on the audit program criteria as required.

The designated UAW-DaimlerChrysler Joint Safety and Health audit team will conduct audits as deemed necessary, but in no case less than once every two years, of all facilities covered under the M-13 MOU as directed by the NJC.

The parties recognize the critical importance of these audits to the Corporation, the Union, and the employees. To that

extent, the parties agree to use their optimum efforts to (i) maximize the number of audits performed and (ii) to ensure scheduled audits are conducted on a timely basis. Adjustments to approved audit schedules or staffing levels must be authorized by the National Joint Committee. The parties further recognized the demands put upon audit team members and the Union expressed concern that, on occasion, outside intervention has impeded audit schedules and training program development. In the future, if outside intervention forces a change in the audit schedule or delays program development, the matter will immediately be taken up with the Joint Activities Board for prompt resolution.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Approved and Accepted:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

November 19, 1990

O & C & E  
(66) Special Early Retirement

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

At the request of the Union made in a recent meeting of the Pension Subcommittee, we attach for your information copies of the standards applied by the Corporation in the administration of the "Special Early Retirement," provision of the Chrysler Corporation - UAW Pension Plan.

Very truly yours,  
CHRYSLER CORPORATION  
By J. A. Glotzbach

**EARLY RETIREMENT UNDER  
MUTUALLY SATISFACTORY CONDITIONS  
(Hereinafter Referred to as "Special Early Retirement")**

A. Special Early Retirement is designed to benefit both the Corporation and the employee, particularly in those instances when the Corporation might be reluctant, due to circumstances being beyond the control of the employee, to apply this type retirement without the advantage of the higher pension benefits that the Special Early Retirement Pension provides. This pension provides benefits of (1) an unreduced basic pension for life, (2) a temporary pension until age 62 and one month or until the retiree becomes eligible for an unreduced old age benefit or disability benefit under the Federal Social Security Act, (3) to the extent eligible, an early retirement supplement until age 62 and one month.

B. The utilization of this type of retirement for an eligible employee between ages 55 and 65 with at least 10 years of credited service may be given consideration in any of the following situations:

(1) In the event of a permanent plant shutdown.

(2) In the event of a layoff which appears to be permanent.

(3) In the event an employee is physically or mentally unable to perform his work in a satisfactory manner due to permanent partial disability which results in:

(i) Excessive absenteeism.

(ii) Decreased productivity.

(iii) Frequent salary continuation and/or sickness and accident payments.

(4) In the event of an extended period of disability, as provided in C. below.

C. An employee not actively at work because of an extended period of disability may be considered for Special Early Retirement either (i) following the cessation of sickness and accident benefits or salary continuation payments, (ii) during the period he is receiving extended disability benefits, (iii) following the cessation of extended disability benefits or (iv) at the time he is being considered for return to work. A determination will be made by the Corporation at that time based on medical evidence satisfactory to the Corporation, as to whether or not the employee will again be employable by the Corporation.



(1) If at that time the disability still exists and it appears that such disability will be continuous until the employee's normal retirement age and the probability of his being reinstated prior to his normal retirement age is remote because of such disability, the employee may be considered for Special Early Retirement.

(2) If at that time the disability still exists and it appears that such disability will be permanent and total, the employee may be eligible for a permanent total disability pension in accordance with the applicable section of the Pension Plan.

D. If the employee's condition, based on medical evidence satisfactory to the Corporation, is such that, although able to perform the duties of his job satisfactorily, he would thereby be jeopardizing his health or that of fellow employees, and it is expected that this condition will be continuous until his normal retirement age, such employee may be considered for Special Early Retirement.

E. In making a determination as to whether or not Special Early Retirement is to be extended to an employee, care is exercised that all of the basic facts have been considered.

F. (1) If the request for Special Early Retirement is initiated by the employee, he may make written application on a form provided by the Corporation.

(2) If the necessary approvals are obtained, the retirement will be automatically coded under "mutually satisfactory conditions".

(3) If the necessary approvals are not obtained the employee will be advised in writing that his request has been denied and will be given the reason for denial, e.g. insufficient medical evidence. A copy of the denial will be forwarded to the Corporate Pension Unit, Employee Relations Office.

G. Retirement at the option of the Corporation or under mutually satisfactory conditions will be available to an employee who is laid off on or after November 1, 1979 at age 50 or older

(1) as a result of a plant closing or discontinuance of operations, or

(2) whose layoff appears to be permanent,

and in either case has not been offered suitable work by the Corporation in the same labor market area.

October 25, 1979

O & C & E  
(67) Plant Vacation Shutdown

International Union, UAW

Attention: Mr. Harold Schauer

Dear Sirs:

It is understood and agreed that at those plant locations where the plant management and the local hourly Union agree to a vacation shutdown period, as set forth in the above referenced letter, represented office/clerical and engineering employees who have accrued vacation and are not required to work during the full shutdown period, shall be placed on vacation.

Very truly yours,  
CHRYSLER CORPORATION  
By D. R. Smith

October 28, 1985

O & C & E  
(68) Pregnancy Leave

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This is to confirm our understanding with respect to the circumstances under which a pregnancy leave of absence may be granted under Section (66)(a) of the National Office and Clerical and Engineering Agreements. Active employees are expected to continue to work until such time as they are physically unable to perform their regular work or other available work. However, upon request an active employee, though not physically unable to work due to pregnancy, will be granted a personal leave of absence for good cause within the meaning of Section (66)(a) subject to the limitations contained in Section (66)(f). Such a leave of absence shall not entitle the employee to any benefit under the Insurance Program that she would not otherwise be entitled to.

Very truly yours,  
CHRYSLER CORPORATION  
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Marc Stepp

October 18, 1993

O & C & E  
(69) Flexible Starting Times

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the recent negotiations the issue of flexible starting times was discussed. The Union requested that consideration be given to implementation of flexible starting times at all salaried bargaining unit locations. While not philosophically opposed to the concept of flexible starting times, the Corporation indicated its unwillingness to agree to implement flexible starting times on a corporate-wide basis. The Corporation's concern is primarily over the potential abuse of work hours, added administrative complexity, and the potential for adverse effect on quality and the efficiency of operations. Notwithstanding the Corporation's concern, the parties concurred that in some instances the implementation of flexible starting times can produce beneficial effects, such as, improved morale and job satisfaction, while having no adverse affect on quality or the efficiency of operations.

To that end, the Corporation has acknowledged that Local Unions and local plant managements may locally discuss implementation of a flexible starting times schedule. It is understood the decision to implement a flexible starting times schedule is totally at Management's discretion. Any flexible starting times schedule agreed to locally must provide for full protection to the efficiency of operations at all times and provide, at least, that: employees must work eight (8) hour days and a minimum of forty (40) hours per week; all participants must work core hours established by Management; the start and quit times

will be established by Management; hours cannot be banked or carried over from one day to the next or one week to the next; participation may be withdrawn from any individual for misuse; participating employees desiring to withdraw must obtain permission from the supervisor prior to being allowed to return to the regularly scheduled hours established by department management; the frequency with which flexible starting times schedules may be changed will be determined locally; approval of all proposed flexible starting times schedules must be obtained from the local Personnel Department prior to implementation; participation in an approved flexible starting times schedule is voluntary; and flexible starting times schedules may be revoked at Management's discretion.

Management's decision to implement, decline to implement, modify, or terminate a flexible starting times schedule shall not be subject to the Grievance Procedure. Notwithstanding, Management will endeavor to provide adequate notice of its decisions in this regard.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 29, 2003

(70) Employee Assistance Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

DaimlerChrysler Corporation and the UAW continue to recognize that alcoholism and drug dependency are health problems which may be successfully treated, given early identification and appropriate rehabilitation therapy. Furthermore, as with alcoholism and drug dependency, emotional disorders and serious personal problems can adversely affect job performance.

It is in the Corporation's and Union's mutual interest to provide a framework within which UAW-represented DaimlerChrysler employees voluntarily and confidentially may seek professional counseling, treatment, family intervention, or other assistance and information about what benefits are available to address such problems. Similarly, it is in the parties' interests to generally encourage, educate and otherwise help employees pursue more healthful life styles, and expand educational opportunities in this area for the entire family. Working together the Union and the Corporation can achieve common goals in those areas. In this regard, the parties accordingly established a joint Employee Assistance Program under the UAW/DaimlerChrysler National Training Center (NTC).

The Program provides for: (1) early identification and voluntary assessment of seniority employees having alcoholism or other drug dependency problems as well as emotional disorders or serious personal problems; (2) referral of such employees to recognized providers for professional diagnostic evaluation, counseling or treatment; and (3) an ongoing support system with appropriate follow-up on their counseling or rehabilitation progress. While the Program's primary purpose is to assist employees having such problems and help Union and Management Representatives deal effectively with such situations, it also encourages employees to obtain information about the dangers of substance abuse and other addictions, and serious family and personal problems. Additionally, the Program covers how to recognize the existence of such problems, and the availability of counseling or treatment referral services for immediate family members having such problems.

Employees with alcoholism, drug dependency, emotional, family or other personal problems will be able to seek help voluntarily without having to be concerned that their employment status will be affected because they have sought help for such problems. Such employees, however, would continue to be subject to the same standards of performance and conduct expected of any other employee, irrespective of participation in the Employee Assistance Program. Employees requiring a leave of absence for the treatment of health problems will be issued such leave in accordance with the provisions of the Collective Bargaining Agreement. Insurance benefits, if any, for the treatment and the absence will be determined in accordance with the Agreement.

The parties recognize the value of conducting critical incident "stress debriefings" after a trauma, such as an employee suicide, a major injury accident, violence or death at

the work site, etc. Appropriate debriefings for employees traumatized by such events are in the best interest of the Union and the Company. In this regard, the parties agree to continue the Critical Incident Response Program. Also, in light of increasing workplace violence, the parties have implemented a comprehensive Workplace Violence Prevention Program. Through joint Workplace Violence Prevention Local Response Teams (LRT) at every location, whose activities shall be governed by the mutually agreed upon NTC LRT Policy and Procedural Guidelines, designated representatives of union and management have the opportunity to work cooperatively toward preventing troubling situations from worsening, while maintaining the integrity of their respective roles. The parties agree that the best way to prevent threats and potential violence from becoming a reality is by treating all employees with respect and through early identification, intervention, and referral of employees who may be having such problems, to their EAP Representatives. The parties also agree to continue updating the Workplace Violence Prevention procedures, including NTC Local Response Team Policy and Procedural Guidelines, and providing awareness, education and training on procedures for Local Response Team members through the National Training Center.

The Joint Activities Board (JAB) will continue to fund the development, central administration and arrangement of necessary services regarding delivery of the Employee Assistance Program. The National Training Center will continue to assist locations in implementing the Program. In that context, the National Training Center will provide training or instructions deemed necessary to qualify Employee Assistance Program representatives to satisfactorily perform their duties; and, will arrange for necessary promotional, professional referral and other support services from appropriate national and local company or external resources. Also, the National Training Center will continue its support of alternative counseling techniques, such as a Chaplaincy Program, in support of local EAP programs and EAP representatives. Recommendations in this area will be presented to the Joint Activities Board as appropriate.

The JAB will continue to direct and guide the development, administration, and delivery at the national level. The Program will continue to be comprised of equal numbers of representatives of the UAW and the Corporation appointed respectively by the UAW Vice President and Director of the National DaimlerChrysler Department and the Corporation's Senior Vice President, Employee Relations. The EAP process will function under the umbrella of the Local Employee

Participation Council (LEPC) and under the joint guidance of the Plant/PDC Manager or Human Resources Manager, and the local union President. All program activities will be governed by the requirements outlined in the EAP Policy and Procedural Guidelines. The Plant/PDC Manager, or Human Resources Manager and the local union President will meet monthly with the EAP representatives to coordinate all EAP Program activities, including promotion of the program to employees, the training of supervisors and union representatives, at their locations, and continuous improvement of the Program, consistent with the provisions of this letter and the guidelines established by the JAB. The EAP representatives will also participate in, and report data reflecting their activities, in a manner not to violate confidentiality, at meetings of the Local Employee Participation Council, (LEPC).

Proposals and requests for funding concerning delivery of local programs and related services under the Program will be reviewed by the National Training Center and be subject to approval by the JAB. In reviewing such proposals, consideration will be given to the availability of funds and proposal consistency with the Program's objectives.

Early identification and assessment of employees needing assistance is a key element of the Program and increases the possibility of a successful outcome. Also, follow-up by EAP representatives, and on-going support through on-site support groups and family awareness is critical to maintaining healthy lifestyles. The parties further recognize that while it is the responsibility of management to maintain discipline and to invoke disciplinary measures where and when appropriate, both local management and union representatives at all levels have the responsibility to exercise their best efforts toward the objective of early identification of employees whose behavioral problems may be linked to medical and/or personal causes and to strongly encourage them to seek assistance. To facilitate their critical roles in the intervention process, participation in EAP education and training by supervisors and chief stewards is essential, and valuable for other local union and management leadership. This education and training will be provided in a variety of formats. In addition, educational materials and information on resources available through EAP, such as a newsletter and a telephone access EAP Resource and Referral Service will be made available by the National Training Center to employees and their families as a means to further support early intervention.

The parties recognize the value of providing social support to employees making positive lifestyle changes, and where the

local parties agree, on-site, employee-conducted support group meetings will be permitted for employees, on their own time. EAP representatives, with the assistance of the LEPC, will be responsible for arrangements.

Further, it is recognized that a perceived stigma may be attached to involvement with EAP. Therefore, joint local EAP teams, along with the LEPC, will work to generate a climate which reduces the effects of social stigma associated with mental disorders, alcoholism, drug dependency and other personal problems that act as a barrier to employees receiving needed help to resolve personal problems. To this end, consideration will be given to the location of the EAP's office in the plant ensuring the greatest privacy and confidentiality.

The parties agree to continue improving the quality and performance of the EAP Program and EAP representatives' services. Therefore, the National Training Center will benchmark other programs and develop National UAW/DaimlerChrysler EAP Program standards based on: the most successful practices, standards developed by other joint programs and professional organizations, and input from EAP representatives. The National Training Center will provide training on the implementation of these standards and assist with the resolution of any implementation problems.

Also, newly appointed EAP representatives will receive a thorough orientation on the background, history, development and focus of EAP Program standards, as well as methods for coordinating a local EAP Program. To ensure that newly-appointed EAP representatives become proficient in EAP core technology, and are able to provide a professional level of service, they will be required to meet all NTC approved EAP requirements for certification, within three (3) years of their appointment. Newly-selected EAP representatives must possess the skills necessary to take and pass such a certification examination. Failure to achieve such a credential within the allotted time period could result in the representative being removed from the Employee Assistance representative position by the UAW DaimlerChrysler Department. Newly appointed representatives will, where feasible, be selected two weeks prior to the departure of the preceding representative, for purposes of training and a smooth transition of responsibilities.

Confidentiality is a critical element in the success of an EAP Program. To preserve the integrity of the Program and employee trust, EAP representatives will adhere to professional standards of confidentiality, except where limited by federal, state, local or corporate rules and regulations regarding



confidentiality, disclosure of client information, or threats. These limits will be explained to employees. Because violations of confidentiality may destroy a program at the local level, and embarrass and offend employees who have placed their trust in the EAP, proven violations of confidentiality by EAP representatives, either by omission or commission, will be taken seriously. If it is alleged that a violation has occurred, a joint investigation will be conducted, and appropriate action taken, up to and including termination of their appointment.

To ensure that employees receive effective alcohol, substance abuse and mental health care, The NTC will work jointly with the Health Care Benefit Joint Insurance Committee to research the most beneficial treatment practices.

It is understood that nothing contained herein or in the existing or future statements concerning the Employee Assistance Program or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Corporation's or the Union's rights or responsibilities under the Collective Bargaining Agreement, nor is the Program intended in any way to create for any employee any enforceable obligation against the Corporation, the Union, or their representatives.

In addition, it is the parties' intent that any programs, approaches or related services to be provided under the Employee Assistance Program are not to be construed as benefits or insurance programs.

Finally, the Grievance Procedure set forth in the Collective Bargaining Agreement shall have no application to, or jurisdiction over, any matters related to the Program.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

(71) Access to Procurement and Supply

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the course of these negotiations, discussions took place concerning the role of the Procurement and Supply activity, particularly with respect to the sourcing process. To address the Union's concerns in this regard, the Company will provide an orientation meeting with senior Procurement and Supply Management within sixty (60) days following the effective date of the new Agreement. The purpose of the meeting will be to review the Procurement process. It is understood by the parties that Procurement and Supply, through the appropriate Program Management Director or Corporate Union Relations will continue to provide information to the National UAW DaimlerChrysler Department related to the purchasing process, sourcing actions and supplier quality concerns as specified in the Memorandum of Understanding-Sourcing (M-10).

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(72) Annual Meeting

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

In order to promote a greater degree of understanding and cooperation between the Union and the Corporation, the parties

will convene an annual meeting of local union leadership and management representatives to discuss matters of mutual interest such as:

- Current conditions and outlook for the global auto industry and DaimlerChrysler.

- State of management/union relations.

- Matters of mutual interest and concern.

- Matters of special interest to either party.

Local union leadership shall include the presidents, Plant Shop chairperson and one (1) unit chairperson of a local union (except in the case of Local 889 and Local 412 in which case the number of unit chairpersons in attendance shall be four (4) and five (5) respectively), the regional directors and International representatives servicing DaimlerChrysler local unions. Management representatives from the Plant, Division and Corporate staffs shall be designated. Additional attendees may be invited at the discretion of the Joint Activities Board on an annual basis.

These annual meetings will be chaired by the Senior Vice President -Employee Relations and the Vice President and Director, DaimlerChrysler Department, UAW.

Appropriate expenses and lost time for the local leadership will be reimbursed from the joint training funds.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

OC&E, P&M, Parts Agreements  
(73) Use of Past Record

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During these negotiations there was considerable discussion regarding the application and intent of Section (37), Use of Past Record.

The Union asserts Section (37) bars consideration of prior discipline beyond the immediate preceding twelve (12) months of active employment when imposing a penalty on a current charge and that the same time restriction is applicable regarding the use of an employee's discipline record when presenting appeals to the Chairman of the Appeal Board.

The Corporation has no disagreement with the Union's interpretation of Section (37) as it regards management's initial act of "imposing" a penalty on a current charge. However, when presenting appeals to the Chairman, the Corporation may respond with evidence as to the employee's total disciplinary record unrestricted by Section (37), if a grievant or the Union advances a claim of prior lengthy good conduct as a ground for reduction of penalty. In the absence of such claims the Corporation will not attempt to include in the arbitration record, either orally or in writing, disciplines which occurred prior to the twelve (12) month period of active employment immediately preceding the current charge.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

May 16, 1988

O & C & E  
(74) Employee Assistance Program Representative

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

For each Corporation plant, including Chrysler Center and Chelsea Proving Grounds, the Director of the Chrysler Department of the International Union, UAW may appoint an Employee Assistance Program (EAP) Representative from among those employees who have seniority under the National Production and Maintenance, Office and Clerical, Engineering or Parts Depot Agreements and who at the time of the appointment are at work in the Corporation plant in which he is to function. The Director of the Union's Chrysler Department will advise Corporate Union Relations in writing of the names of the appointees and the plant to which each is assigned. No EAP Representative shall function as such until the Corporation is so advised. The EAP Representative shall serve an indefinite term and shall be replaced only with the concurrence of the Joint Activities Board.

The maximum number of hours per week in which the EAP Representative of each plant will be allowed to perform his functions shall be determined on the basis of the number of UAW-represented employees in his plant in accordance with the following schedule:

<u>Number of Employees</u>	<u>Hours Off Job</u>
	<u>Per Week</u>
600 or more	40
250 to 599	8
Less than 250	4

The Joint Activities Board will review the allocations of hours as set forth in the table above six (6) months from the effective date of the National Production and Maintenance Agreement and will make whatever adjustment in hours that is necessary.

1. The duties of the EAP Representative, working with a designated Management representative, are to:

- assist in the identification, education, referral and follow-up of employees with problems which adversely affect job

performance and/or attendance relating to alcohol and drug dependencies, emotional disorders or personal problems while assuring requisite confidentiality standards are observed;

- act as liaison with appropriate members of line supervision, labor relations, plant medical, other Union representatives, and with the mental health/substance abuse managed care program;

- assist in evaluating the effectiveness of various programs, plans and services;

- participate in formal employee assistance training/instruction programs and review and make recommendations to the Management representative concerning program content;

- assist in coordinating and implementing various local program applications and related services available under the Employee Assistance Program.

2. The UAW/Chrysler National Training Center will provide training or instruction deemed necessary to qualify the EAP Representatives to satisfactorily perform their duties relating to the Employee Assistance Program.

3. EAP Representatives shall be subject to the following:

(a) It is understood that the EAP Representative for each plant who does not qualify under the schedule herein to perform his functions forty (40) hours per week, has a regular job to perform and that he will advise his Supervisor on each occasion when it is necessary for him to leave his regular job in order to function as an EAP Representative.

(b) It is understood that the EAP Representative will be paid only for such time spent in performing his functions as occurs during the time when he is otherwise scheduled to work.

(c) When the EAP Representative is permitted less than forty (40) hours a week away from work, the designation of such time shall be made by mutual agreement between the Labor Relations Supervisor or his designated representative and the EAP Representative.

(d) The EAP Representative will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in his department and when so scheduled shall not perform his function as an EAP Representative.

(e) The privilege of the EAP Representative to perform his duties during regular working hours without loss of pay is subject to the conditions (i) that hours off the regular job are to be preplanned and mutually agreed upon with the Labor Relations Supervisor or his designated representative, (ii) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of the Employee Assistance Program and the privilege shall not be abused, (iii) that if it is necessary for an EAP Representative to speak to an employee, prior arrangements will be made with the employee's Supervisor to do so, and (iv) that the EAP Representative will do the work to which he is assigned at all times except when it is necessary to leave his work to handle his duties as the EAP Representative.

(f) The EAP Representative shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production and Maintenance Agreement or the appropriate applicable section of the Office and Clerical, Engineering or Parts Depot Agreement. By mutual agreement with the Labor Relations Supervisor or his designated representative, the EAP Representative may adjust his starting time to be available to perform his duties on the second or third shift, in which case Sections (86) and (87) or the appropriate applicable Section of the Office & Clerical, Engineering or Parts Depot Agreement shall not be applicable to him.

(g) Each plant will make available to the EAP Representative an office and related equipment which allows for the conduct of confidential matters relating to the Program.

The parties agree to encourage all EAP Representatives to participate in appropriate Training and Skill Development activities leading to certification.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Marc Stepp

September 29, 2003

(75) Suppliers In Plants

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

During the recent negotiations, the Union raised the subject of supplier employees in the plants performing work which the Union claimed has historically been Salaried Bargaining Unit work.

The Corporation explained that in support of our Corporate goal to be world class by the year 2007, the Corporation has embarked upon a number of new directions with its employees, the Union and outside concerns. As an example, "partnerships" have been formed with suppliers to advance the extended enterprise concept.

Nevertheless, we agreed that under no circumstances should a supplier employee in our plants perform the work of Bargaining Unit employees. When performing tasks on the plant floor related to their product, supplier employees will work in liaison with Union employees of the Corporation, including advance communication, when the work in question has historically been done by represented employees. [The intent of this advance communication with an appropriate represented salary employee is to allow for the clarification of roles and responsibilities to prevent unannounced entry into the plant by supplier employees.]

In order to eliminate potential disputes and misunderstandings, when a supplier is assigned to a plant, the Chairperson of the Unit at that location will be advised of the nature of the assignment. Further, a procedure will be implemented to ensure a constant flow of communication with the appropriate Bargaining Unit employees from suppliers working in the plant.

The Corporation acknowledged that there have been instances where supplier employees have infringed on Bargaining Unit work in the course of reaching their goal. In an effort to resolve this issue, a letter from the Executive Vice President of Manufacturing and the Executive Vice President of Procurement and Supply will be sent to suppliers and Plant Managers instructing them as to the contents of the document



and holding them responsible for insuring adherence to the commitments made during these negotiations.

In the event the Union believes instances have occurred contrary to the intent of this document, the appropriate Chrysler Department Representative may raise the matter with the Union Relations Manager. They will immediately attempt to resolve the matter. If these parties are unsuccessful in resolving the matter, it may be referred to the Vice President and Director of the Chrysler Department for the Union and the Vice President of Employee Relations for the Corporation who may include the Executive Vice Presidents of Manufacturing and Procurement and Supply to resolve the matter.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 14, 1996

O & C & E  
(76) Consideration for Work Opportunity in  
Different Labor Markets and Career Fields

International Union, UAW

Attention: Mr. Jim Jensen

Dear Sirs:

During the recent negotiations, the Union expressed its concern that laid off employees be given consideration for open jobs in other labor market areas of the Corporation in which it may be hiring new employees. The Corporation expressed its opinion that the Corporate Placement activity has consistently performed an outstanding service in placing qualified laid off employees in such open jobs.

Consistent with the above, we advised you that in the event a laid off seniority employee desires to be considered for a job he has the qualifications to perform, in a different labor market area, the employee may address a registered letter to the Coordinator, Union Relations, Chrysler Corporation, 1000

Chrysler Drive, Auburn Hills, Michigan 48326-2766, (CIMS 485-07-88), indicating such desire, his qualifications and also specifying the area and job(s). Based upon the employee's qualifications, the employee will be considered for placement in that labor market area, in accordance with normal hiring practices.

It is agreed that with respect to an employee placed pursuant to these understandings, the Corporation shall not be liable or obligated for any expenses the employee incurs in such relocation.

In addition, if a laid off seniority employee believes he is qualified and desires consideration for an open job within his labor market area in a different career field, the employee may address a registered letter to the Coordinator, Union Relations pursuant to the aforementioned understandings.

Very truly yours,  
CHRYSLER CORPORATION  
By R. A. Miller

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jim Jensen

October 28, 1985

O & C & E  
(77) Hiring Practices

International Union, UAW

Attention: Mr. Edward A. Rickey

Dear Sirs:

We have discussed at length the subject of giving employment consideration to former salaried employees who have lost their seniority rights when we are hiring employees into salaried represented positions.

We advised you that while we retain the right to make employment determinations, it shall be the practice of the Corporation to give consideration to the employment applications of such individuals, presuming i) they have the

appropriate qualifications for the open position, and ii) their prior employment record was satisfactory.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Edward A. Rickey

October 14, 1996

O & C  
(78) Seniority Option (Local 889/212)

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During recent negotiations the parties discussed that office/clerical employees, represented by Local Union Nos. 889 and 212 office/clerical units, who have five (5) years or more service/seniority and who are currently working or who accept work opportunity under the provisions of Section 54), 56, 60 or 61 of the Office and Clerical Agreement, have been given an option to transfer their office/clerical seniority from prior plant(s) to their current plant thereby terminating their seniority at such prior plant(s). Further, the parties confirmed this option also applies to employees having less than five (5) years service/seniority on a "5 year grow-in" basis.

The parties agree this provision has been successful and has resulted in a significant number of employees enjoying the maximum benefit of this acquired seniority.

The International Union, UAW shall indemnify the Corporation and hold it harmless against any and all penalties, damages or claims, including reasonable attorneys' fees, by reason of or arising out of the Corporation's carrying out the terms and conditions of any such program. Further, the Union agrees that, the Corporation may at its option and in its discretion terminate the program or suspend its terms pending the final settlement or determination of any claims or complaints

that may be filed against the Corporation arising out of the Corporation's compliance with the program.

Finally, the Union agrees that it will not process grievances by employees complaining about the implementation of the program.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

December 10, 1982

O & C & E  
(79) Time Limit on Claims

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

In the past, there have been situations in which both the Corporation and the International Union have agreed that, notwithstanding the provisions of Section (26), Time Limit on Claims, equity and fairness dictated that certain actions were appropriate regarding (i) claims by an employee or by the Union, including claims for back wages, and (ii) deductions from an employee's wages to recover overpayments.

This letter will confirm that in such instances of agreement between the Corporate Union Relations Staff and the Chrysler Department of the International Union, the limitations set forth in Section (26) may continue to be waived in order to provide equitable and fair resolution of such matters.

Very truly yours,  
CHRYSLER CORPORATION  
By Thomas B. Johnston

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

May 16, 1988

O & C & E  
(80) Auburn Hills-CTC Recognition Clarification

International Union, UAW

Attention: Mr. Homer Jolly

Dear Sirs:

During the course of these negotiations, we reached an agreement relating to certain bargaining units currently located at Chrysler Center entitled "Memorandum of Understanding - Auburn Hills - Chrysler Technology Center."

The Union raised a concern regarding subsequent recognition for salaried represented employees in other units which are not currently scheduled to be transferred to Chrysler Technology Center (CTC), but which at a later date the Corporation may decide to relocate to CTC.

We have advised you that in the event the Corporation decides to transfer the responsibility currently performed by employees represented by the UAW at other Chrysler locations to CTC and transfers sufficient numbers of employees to that transferred organization to the extent that majority status is attained then the Union will be recognized as the collective bargaining agent and the terms and conditions of the "Memorandum of Understanding - Auburn Hills - Chrysler Technology Center" shall apply to those accreted bargaining units.

Very truly yours,  
CHRYSLER CORPORATION  
By J. E. Thomas

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Homer Jolly

May 16, 1988

O & C & E  
(81) Auburn Hills Review

International Union, UAW

Attention: Mr. Homer Jolly

Dear Sirs:

We recently negotiated a Memorandum of Understanding for Auburn Hills-Chrysler Technology Center which puts in place the foundation for a new relationship based upon honesty and trust, and established principles which not only modify our current operating styles but also begin to address our ability to operate optimally in a globally competitive market. It is intended that these new philosophies will not only allow the Corporation the needed flexibility to improve operational effectiveness, but also allow for individuals to be exposed to new work experiences.

Nevertheless, we acknowledge that we are embarking upon a philosophy which is foreign to many of our existing personnel, and it will require a period of time before a smooth transition is realized. Furthermore, we agree that additional questions which the parties did not envision during the negotiations of the above referenced Memorandum may subsequently arise which will need to be addressed. To that extent, if either party has documented evidence of a need to modify and/or amend the Memorandum of Understanding, they may raise those issues or concerns at the National Negotiations relating to the second National Agreement succeeding the National Agreement in place following the movement of represented personnel into the Chrysler Technology Center. While this provision allows the parties a mechanism to modify and/or amend the Memorandum to address documented abuses or problems occurring from its administration unforeseen by the parties during its negotiation, a "wholesale" revision is not intended as the parties agree that the basic concepts are sound and are endorsed by both the Union and the Corporation as a practical means to provide long-term job security and to ensure global competitiveness.

Very truly yours,  
CHRYSLER CORPORATION  
By J. E. Thomas

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Homer Jolly

October 14, 1996

O & C & E  
(82) Associations - Other Joint Venture Companies

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During 1996 negotiations, the Union expressed interest in the Company's association with companies which assemble vehicles sold by Chrysler Corporation or produce components in joint ventures, such as New Venture Gear.

Recognizing the Union's interest, the Corporation will meet with representatives of the UAW-Chrysler Department, upon request, to review and discuss such products and the effect they may have on UAW-represented salaried employees of the Corporation.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

O & C & E  
(83) Christmas Bonus

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During negotiations leading to the new collective bargaining agreement, the parties agreed that the Corporation would provide to each eligible UAW-represented employee a Christmas Bonus payment in the amount given in the Bonus Schedule below in 2003, 2004, 2005 and 2006. This bonus shall be made by separate payment for the bi-weekly pay period in which December 1st falls in those years.

An eligible employee is defined as one who:

(a) has seniority on the following eligibility dates:

November 17, 2003, November 15, 2004, November 21, 2005 and November 20, 2006, as well as

(b) worked at least thirteen (13) weeks in the fifty-two (52) week period immediately preceding the week in which the eligibility date occurs (i.e., the Christmas Bonus eligibility year).

The amount of the Christmas Bonus provided to an employee shall be determined according to the following schedule:

<u>Bonus Schedule</u> <u>Weeks Worked</u> <u>During Eligibility Year</u>	<u>Christmas</u> <u>Bonus Amount</u>
26 or more	\$600
20 - 25	\$450
13 - 19	\$300

During the Christmas Bonus eligibility year an employee will be credited with one (1) week worked for each week in which the employee:

(a) performed some work for the company,

(b) received jury duty pay, vacation pay, bereavement pay, holiday pay, or short term military pay, or



(c) received Salary Continuation, received Workers' Compensation payment while on an approved medical leave of absence due to a compensable injury or occupational disease provided that:

1. The employee would have otherwise been scheduled to work during the complete week; and

2. The employee is actively at work for at least one complete week during the Christmas Bonus eligibility year.

An employee who retires during the Christmas Bonus eligibility year and who, but for such retirement, would have had seniority as of the eligibility date, will qualify for a Christmas Bonus in accordance with the Bonus Schedule, above, if otherwise eligible.

An employee who dies during the Christmas Bonus eligibility year, if otherwise eligible, will have a Christmas Bonus payment determined pursuant to the Bonus Schedule, above, and paid to the estate, or if permitted by local law, to the next of kin.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

O & C & E  
(84) CPI Revision

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm our understanding that if the BLS makes any change in the form or basis of calculating this Consumer Price Index the parties agree to request such agency to make

available, for the life of this Agreement, a monthly Consumer Price Index in the same form and calculated on the same basis as it was prior to such change.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

O & C & E  
(85) Volume Related Layoffs - SWEL

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the course of these negotiations, the Corporation and Union have provided DaimlerChrysler Corporation employees with substantially increased job security through the SWEL feature of the SWESS Program, which protects eligible employees against layoff for virtually any reason except volume related market conditions. The parties recognize that employment levels may continue to fluctuate as a result of the cyclical nature of demand in our industry. The Corporation acknowledges, however, the importance of minimizing layoffs even in instances where volume related declines are unavoidable. In particular, the Union stressed the importance of reducing overtime and shifting dual sourced production requirements to UAW-DaimlerChrysler plants in the event of overall market declines. The Corporation agrees to take these and other actions whenever practical.

In any event, however, employees affected by volume related declines would exercise their seniority in line with the applicable National Office and Clerical or Engineering Agreement and local supplemental seniority agreement and, if otherwise eligible, receive benefit treatment in accordance with the Supplemental Agreements attached to the applicable 1999 DaimlerChrysler/UAW National Agreement.

Identifying the complex inter-relationships of all the factors involved with volume fluctuations is a difficult task. The parties agree that for purposes of determining SWEL related protections they must identify just those volume declines that are attributable to market related conditions, and in turn just those declines that are not affected by Corporation sourcing choices of vehicles and components that compete with or act as replacements for vehicles and components produced by DaimlerChrysler Corporation employees covered by the National Agreement. In other words, volume declines that are attributable to the Corporation's production and purchase arrangements with any related or unrelated party (subsidiaries, affiliates, captives, joint ventures, transplants, etc.) would be considered an exception to the overall volume related exclusion in Section I.C. of the SWESS Program.

The parties also agreed that the complexity of these issues requires that, where practicable, the Corporation provide Local SWESS Committees adequate notice of any impending volume-related layoff, as well as all information necessary to fully evaluate its underlying causes, the extent to which such decline is associated with a Corporate sourcing action and the appropriate number of SWEL eligible employees that should be affected by the layoff.

The Corporation recognizes, moreover, that it has the responsibility to justify implementation of a layoff in the context of the protections spelled out in the SWESS Program and the guidelines outlined in this letter. Similarly, the Corporation also accepts the responsibility of proving that the proper number of employees are recalled to SWEL positions when a volume related decline is reversed, again within the context of the SWESS Program protections and the guidelines outlined in this letter.

The following are to be considered as illustrations to assist the parties in determining when volume-related declines support reductions in employment. These illustrations should not be considered all inclusive.

-- Market-Related Conditions - Included in this category is customer preference of one vehicle over another that might result in a decline in sales of a U.S.-built DaimlerChrysler Corporation vehicle that requires the layoff of employees, provided such sales declines are not the result, for example, of increased sales or increased market share of competitive captive imports or joint venture vehicles or any other vehicle sold in the U.S. by DaimlerChrysler Corporation but not produced in a UAW-DaimlerChrysler plant.

#### Examples of Market Related Conditions:

(1) There is a decline in economic activity which decreases retail sales of UAW-DaimlerChrysler vehicles. Assembly Plant A, employing 115 SWEL eligible employees, is the sole source of Vehicle Z for the U.S. market. As a result of the reduced sales volume, the second shift is discontinued, resulting in the layoff of 24 employees. The number of SWEL - eligible employees at the plant remains at 115 including 24 open Protected positions. U.S. car demand picks up to pre-layoff levels and the second shift is called back. Active bargaining unit employment at the plant goes back to 115 employees.

(2) Assembly Plant B produces 956 trucks per day. Reduced sales volume due to customer preference results in a reduction to 826 trucks per day being produced. As a result of the line speed change, 400 hourly employees are laid off. Simultaneously, two (2) Timekeepers are also laid off. The event is not covered and therefore they are not placed into the SWESS Program. The Plant's SWEL number remains the same with two (2) open positions.

(3) Same circumstances as (2) above, but at the same time of the layoff an improved payroll system is implemented which reduces the amount of payroll work. As a result, three (3) Timekeepers and one (1) Payroll Clerk are laid off. The SWEL number remains the same with the creation of two (2) filled Protected positions and two (2) unfilled Protected positions. The SWEL number remains the same.

(4) There is a decline in economic activity which decreases retail sales of UAW-DaimlerChrysler vehicles. As a result, funds for engineering research and development projects are significantly reduced resulting in the layoff of 25 Designers and 25 Mechanics. Since the reduction of funds was a result of reduced car sales, the SWEL number remains unchanged with 50 open Protected positions.

(5) There is a new product line being installed at the Mound Road Engine Plant which is expected to take approximately six (6) months to complete. To help facilitate the implementation and completion of this project, two (2) Facility Engineers are recalled from layoff. The work is completed and both Facility Engineers are laid off. Since these employees were assigned to temporary work, they are not eligible to be placed on SWESS Protected status.

Note: Since this project was for a known duration, it is considered temporary work. The Union should be notified in advance of the engineering project and the fact that it is temporary work.

-- Product Discontinuance - Because of the introduction of a new U.S.-built DaimlerChrysler Corporation vehicle or a non-allied company vehicle not sold by DaimlerChrysler Corporation sales of another DaimlerChrysler Corporation-manufactured vehicle may decline, and production of the latter vehicle must be curtailed necessitating reductions in employment. Such reductions would be considered volume-related declines under paragraph I.C. of the Program.

-- Proportional Volume-Related Layoffs - If a vehicle is assembled in a U.S. plant as well as in a plant outside the U.S. (Canada or Mexico) and layoffs result because of market-related volume conditions, the layoffs must be made proportionally between the two (2) plants. If all the layoffs occurred in the U.S. plants, then the proportional number of employees would be placed on SWESS Protected status.

Example:

Engine Plant C, employing 20 SWESS eligible Facility and Tool Engineers, produced half of the engines for Vehicle X; the other half are produced at a corporate plant in Mexico. The volume reduction is made totally at Plant C rather than split proportionately between Plant C and the plant in Mexico. Therefore, in accordance with the SWESS guidelines, half of the ten (10) employees who are not required any longer in Plant C due to this event go into the Protected status, and the other five (5) employees would be laid off. The SWEL at Plant C remains at 20 including five (5) open positions (volume related).

-- Faulty Product - Vehicle line volume may decline because of faulty parts in a vehicle that cause customers to place the product in disfavor. Such reductions would be considered volume-related declines under paragraph I.C. of the Program.

-- Changes in Retail Preference - DaimlerChrysler Corporation volume may decline because of customer preference shifts - in turn affecting mix and therefore demand, e.g., small car preference shifts to large car; option preference swings; high product content to low product content. Such reductions would be considered volume-related declines under paragraph I.C. of the Program.

-- Engines, Transmissions, Stampings and other Components or Materials - It is recognized that reductions in vehicle production will often be accompanied by reductions in component production. When reductions in vehicle production are volume related, pro-rata reductions in component production will normally be considered volume related as well. However, to the extent a reduction in component production results from a shift in sales to vehicles sold by DaimlerChrysler Corporation but not produced in UAW-DaimlerChrysler Corporation plants, the reduction will not be considered volume related. For example, a new car model is introduced for sale in the United States which is built in Mexico. The new model directly results in reduced sales of a car that is built in a UAW-DaimlerChrysler plant in the United States. As a result, there is a line speed reduction resulting in a workforce reduction of two (2) Timekeepers and three (3) Production Control employees. The SWEL number remains unchanged and the five (5) laid off employees are placed on SWESS Protected status.

Furthermore, when a like or similar component is dual-sourced from a UAW-DaimlerChrysler Corporation and a non-UAW-DaimlerChrysler Corporation plant, production declines at the UAW-DaimlerChrysler Corporation plant will only be considered volume related to the extent the dual sourced component produced at that plant continues to be produced in its pre-production decline proportion.

#### Examples:

(1) Plant A receives regular automotive batteries from a UAW-DaimlerChrysler Corporation plant and heavy duty batteries from a non-UAW-DaimlerChrysler Corporation plant. A volume decline occurs in regular automotive batteries because of customer preference for heavy duty batteries. Such reductions would be considered volume related declines under the program but would not have to be taken proportionately because the batteries would not be considered like or similar components.

(2) Plant B receives batteries that have plastic fastening brackets from a UAW-DaimlerChrysler Corporation plant and regular batteries that have steel fastening brackets from a non-UAW-DaimlerChrysler Corporation plant. The batteries are used interchangeably and would be considered like or similar components. Therefore, any volume declines in battery production would have to be taken proportionately to be considered volume related.

As implied by these examples, there are many variations to be considered when determining volume actions. This letter is intended to provide a framework within which Local and National SWESS Committees may review the applicability of Paragraph I.C. to volume reductions.

If a Local SWESS Committee cannot agree on a situation being defined as volume related, the matter may be appealed to the National SWESS Committee for resolution.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(86) Employees with Automatic SWEL Protection

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm our understanding that employees who have SWEL protection as of the expiration of the 1996 Agreement will not be disadvantaged by the eligibility rules of the 1999 Memorandum of Understanding, Salaried Workers' Employment Security System (SWESS) Program. Such employees will be considered to have SWEL eligibility in accordance with 1(A) of the Memorandum of Understanding - Salaried Workers' Employment Security System (SWESS) Program of the Agreement.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

**(87) Access to Automated SWEL Reports**

**International Union, UAW**

**Attn: Mr. Nate Gooden**

**Dear Sirs:**

During these negotiations, the parties discussed the value of providing inquiry access, for selected International Union representatives assigned to the National Training Center, to certain SWEL Report information currently maintained in DaimlerChrysler Corporation information systems.

For the purposes of enhancing the discussions routinely conducted between the parties on this topic, the Corporation agreed to make available the following screens, or their equivalents, from the DaimlerChrysler PeopleSoft System to selected International Union representatives who are specifically assigned to such activities at their National Training Center offices:

**SWEL PROCESSING MENUS**

Access to these screens will include data from all DaimlerChrysler Corporation - UAW Engineering, Office and Clerical Agreement locations. It is understood that such access will require the Union to keep information confidential.

Implementation will be undertaken following the conclusion of the 2003 negotiations. Sufficient resources will be allocated to complete this project, including extensive programming and infrastructure modifications, within nine (9) months of ratification, with related costs paid from joint training funds.

Sincerely,

**DAIMLERCHRYSLER CORPORATION**

By J. Franciosi

**Accepted and Approved,**

**INTERNATIONAL UNION, UAW**

By Nate Gooden



May 16, 1988

O & C  
(88) Accounting Positions

International Union, UAW

Attention: Mr. Horner Jolly

Dear Sirs:

During the 1985 negotiations the Corporation and the Union reached an agreement regarding the filling of Accounting positions. Listed below are the basic elements of that Agreement:

1. Periodic meetings may be required between the parties to ensure proper implementation.
2. Should other questions arise, the proper procedure would be for either the Corporation or Union, as the case may be, to raise the matter with the other party and a reasonable attempt would be made by both parties to resolve any such issue.
3. The Union provided the names of certain employees who had met entrance requirements under the prior program and had a desire to continue pursuing a career in accounting.
4. The employees described above would be required to complete certain accounting courses offered through accredited educational institutions.
5. Required accounting courses for the above group only, included successful completion of between 10 hours and 16 hours of "basic accounting principle courses".
6. Candidates successfully completing the above who desired to be considered would be offered accounting work on an open job basis consistent with the terms of the National Agreement.
7. Candidates meeting the above requirements who had been or are promoted to a job in a different functional area, at the same level as accounting positions could file an application for consideration under the "career advancement" provisions of the National Agreement.
8. The test and training program were discontinued.

9. The Union recognized and accepted the proposition that the Corporation intends to place reliance on the principle that future internal or external candidates must possess qualifications which are more than the qualifications set forth above. Such qualifications will, as established by the Corporation, require necessary accounting background either through education or direct work experience or combination of same in order to receive consideration for accounting positions. Qualified internal candidates receive full consideration when filling jobs as set forth under the provisions of Letter (14) of the National Agreement.

Very truly yours,  
CHRYSLER CORPORATION  
By J. E. Thomas

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Homer Jolly

October 18, 1993

O & C & E  
(89) Funding of National SWESS Committee Activities

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the discussions in the 1993 negotiations concerning the Salaried Workers' Employment Security System Program, the parties agreed that funding for the activities of the National SWESS Committee would be provided from National funds upon approval by the Joint Activities Board.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 29, 2003

(90) B.E.S.T. II

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 1999 National Negotiations, we embarked upon a new journey when we conceptualized a process known as B.E.S.T. (Bringing Excellence to Safety Teams). The core foundation of B.E.S.T. was that only through total ownership and mobilization can optimal health and safety results be achieved. The bedrock of our process was built upon lean concepts and an acknowledgment that personal commitments by all participants from senior leadership all the way to the shop floor would be required. The parties also acknowledged that a significant commitment in terms of training resources would be essential.

During the interim period of the last Agreement, we began to put in place the foundation and fundamentals of B.E.S.T. The results have been nothing short of dramatic. Injury and Lost Work Day cases have dropped by significant amounts. Increased ownership and accountability for safety performance is spreading throughout the enterprise. Outside organizations, such as the National Safety Council, have bestowed numerous awards, and we have been recognized as one of the Safest Companies in America for 2003.

Yet, as far as we have come, we know much remains. We must pursue continuous improvement in our processes and our culture change initiatives. We must drive standardization and alignment throughout our organizations. And, finally, we must build the process in a dynamic and robust manner that provides for perpetual sustainment.

In that context, the following next steps for B.E.S.T. are envisioned:

1. The full day of leadership training for the LEPC Co-Chairs at our Annual UAW-DaimlerChrysler Meeting will be continued. This has proven to be an effective tool in addressing roles and responsibilities, as well as setting forth expectations.
2. Specific training for the LJHSC will take place at the Annual Health & Safety Meetings. They shall be coached on their roles and changing responsibilities and be trained in three

flow (material, process, information), root cause analysis, PDCA and other relevant tools.

3. The Operating Principle tools will continue to be utilized to ensure alignment and standardization.

4. We need to complete our Phase 1 rollout by driving standardization and placing appropriate mechanisms in place to aid sustainment.

5. In Phase 2, we need to validate the ongoing leadership base commitment, develop a plant floor safety infrastructure with defined roles for all employees, train and communicate on an ongoing basis, and continue to drive enterprise-wide accountability.

6. Risk assessment and hazard control will be conducted for high hazard jobs. This includes identification of tasks, identification of hazards associated with each task, risk assessment and selection of method(s) to control. Selection of controls will be based on the hierarchy, which gives preference to engineering solutions over procedures and personal protective equipment. High hazard jobs to be targeted will be determined by the NJC.

The responsibility for the development and rollout of B.E.S.T. shall be with the NJC in conjunction with the NEPC. Funding for B.E.S.T. development, rollout and institutionalization shall be from National Training Center allotment.

B.E.S.T. is becoming a benchmark for other companies and unions. We are excited about the past and the future in which B.E.S.T. can bring even greater improvements in our workplace environments, thereby enhancing overall Corporate performance and employee morale/well-being.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

October 18, 1993

O & C & E  
(91) Compensation Practices - Salaried Workers'  
Employment Security System

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Because of the differences employed in compensating salaried employees as opposed to hourly employees, there occurred during these negotiations certain questions of interpretation and clarification relative to certain provisions of the Memorandum of Understanding - Salaried Workers' Employment Security System. The following represents the understanding reached between the parties relative to compensation practices under certain conditions:

**Employees Assigned to Protected Employee Status**

An employee assigned to Protected employee status will receive the regular straight-time (base) salary for the classification the employee last held prior to being assigned to Protected employee status and, further, if such salary is in the progression range, the employee will continue to receive progression increases while a Protected employee provided the employee meets the work time and other eligibility requirements outlined in the provisions of the Salary Grades and Progression Application Supplement of the National Agreement. Time spent in training classes during the Monday through Friday workweek will be considered as time worked for progression credit purposes.

An employee will not be eligible for merit increases or credited time for phase-up purposes while assigned to Protected employee status.

**Permanent Assignments or Temporary Assignments of a Non-Voluntary Nature**

A Protected employee who, pursuant to the Memorandum of Understanding, is placed on a permanent assignment or a temporary assignment that is not voluntary on the part of the employee will have the base salary determined in accordance with the provisions of the Salary Grades and Progression Application Supplement, contained within the National Agreement, and adjusted accordingly.

### **Temporary Assignments of a Voluntary Nature**

A Protected employee who, pursuant to the Memorandum of Understanding, is placed on a temporary assignment that is voluntary on the part of the employee will, regardless of the classification and grade assigned during such temporary period, receive the base salary for the classification the employee last held prior to such temporary assignment and will during such assignment continue to be compensated (including progression adjustments, if any) in the same manner as applicable to the preceding paragraph entitled, "Employees Assigned to Protected Employee Status."

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 18, 1993

O & C & E  
(92) Job Security Program -  
SWESS Provision Relating to SUB

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Re: Job Security Program - SWESS Provision Relating to SUB

During these 1993 negotiations, the parties agreed to a Memorandum of Understanding - Salaried Worker's Employment Security System - SWESS.

The parties have agreed that if, and when, the provisions of the 1988 SUB Plan are reinstated in accordance with the "Exhaustion of Salaried/SUB Cap" Letter of Understanding between the parties, dated October, 1993, the following provision regarding charges against future Corporation contributions to the SUB Fund will apply.

The wages, including COLA and applicable shift premium, of a Protected employee not assigned to an opening due to a volume increase will be charged as follows: (1) the gross amount the employee would otherwise receive from the Trust Fund in Supplemental Unemployment Benefits will be charged against future Corporation contributions to the SUB Fund, (2) the amount the employee would otherwise receive as a Guaranteed Income Stream Benefit will be charged against the GIS Program and (3) the remainder will be charged as a plant payroll expense.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 27, 1999

O & C & E  
(93) Joint Activities Representative

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During the recent negotiations, the Union expressed concern with respect to having its members at certain locations serviced by a Joint Activities Representative in matters pertaining to SWESS, Joint Training, and other Joint Activities.

Accordingly, it is agreed that, subject to the conditions set forth, the International Union, UAW may:

A. Appoint one (1) Salaried Joint Activities Representative, who shall be a regular salaried employee on the active roll having seniority and in a unit represented by Local No. 412, and one (1) Salaried Joint Activities Representative who shall be a regular employee on the active roll having seniority and working in a unit represented by Local No. 889. In addition to the aforementioned responsibilities, the Local No. 889 Salaried Joint Activities Representative shall also have

responsibilities in health and safety matters under the MOU on Health and Safety.

B. Appoint one (1) Part-Time Salaried Joint Activities Representative, who shall be a regular salaried employee on the active roll having seniority and working in the Local 212 Engineering Unit. The Joint Activities Representative of the Local 212 Engineering Unit shall be allowed up to a maximum of sixteen (16) hours per week without loss of pay for time spent handling Joint Activities matters.

Such aforementioned agreement is subject to the following conditions:

(i) If the Joint Activities Representative wishes to leave his work to handle one of the aforesated matters for an employee at his plant, he shall so advise his supervisor and report to his supervisor when he has disposed of the matter. Before talking to the employee, the Joint Activities Representative shall also make prior arrangements with the employee's supervisor to do so.

If the Joint Activities Representative has occasion to visit another plant in relation to a Joint Activities matter, he shall make arrangements in advance with that plant's Labor Relations Department and identify the specific problem and the area he wishes to visit. After arrangements are made, he shall notify his supervisor of his destination and time of departure. Upon arrival at the other plant, he shall contact the Labor Relations Department which will make arrangements for him to speak to the employee or visit the area involved. He shall notify the Labor Relations Department of his departure time.

The Joint Activities Representative shall keep a daily log of such visits, noting his destination and arrival and departure times. Such log will be submitted to his supervisor each day.

(ii) The Joint Activities Representative shall be restricted to non premium hours in handling such matters and the time spent on them shall be compensated at his regular salary rate.

(iii) The privilege of the Joint Activities Representative to leave his work during regular working hours without loss of pay is subject to the condition that the time will be devoted to the prompt handling of Joint Activity matters and will not be abused, and that the Joint Activities Representative will perform the work to which he is assigned at all times, except when necessary to leave his work to handle matters as provided herein.



(iv) If the Corporation believes that the Joint Activities Representative is abusing any of the provisions hereof, it may refer the matter to the Joint Activities Board for immediate resolution of the problem.

The Joint Activities Representative shall perform only the duties as expressly set forth above.

The Joint Activities Representative shall not participate in the Grievance Procedure, and those matters with which such Joint Activities Representative deals shall not be subject to the Grievance Procedure. Other salaried Union Representatives in the complex, plants or offices shall not participate in joint activity matters as a Union Representative except as any of them has been specifically designated pursuant to the terms of a signed document relating to joint activities. This is not to suggest that such representatives are not or should not be supporting of such programs.

A Joint Activities Representative shall not function as provided herein unless and until the International Union (i) sends written notice to the Corporation of the name of the employee, his plant, department and social security number and (ii) until the Corporation advises the plant of the designation and the effective date thereof.

A Joint Activities Representative shall also cease to function as provided herein upon receipt of written notice from the International Union to the Corporation. Such notice shall include the same identification information as set forth above.

The Corporation further agrees it will, insofar as is reasonably practicable, cooperate with such employee in performing his function as a Joint Activities Representative.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

O & C & E  
(94) COLA Fold-In

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Effective the beginning of the first pay period following receipt by the Corporation from the International Union of written Notice of Ratification of the applicable agreements, and in accordance with the terms of the Settlement Agreement, eighty dollars (\$80.00) shall be added to the base salary rates of employees and to the minimum and maximum base salary rate for each such employee's classification. An equal amount of eighty dollars (\$80.00) shall be deducted from the eighty-two dollars (\$82.00) Cost-of-Living Allowance on September 29, 2003 and thereafter the allowance shall be computed in accordance with Subsections (d) and (e) of Section (92) of the Agreement covering engineering and office and clerical employees.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

International Union, UAW  
By Nate Gooden

September 27, 1999

(95) National and Local Training

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

DaimlerChrysler Corporation and the UAW reaffirm the need to continue and expand the National Training Center

Program. Furthermore, the parties pledge to continue providing the resources necessary to assure that all employees receive training and development opportunities in order to produce a highly motivated, capable workforce that continually improves its own and the Corporation's ability to succeed in an increasingly competitive industry. To demonstrate this continuing commitment, the parties agreed to establish a joint study committee at the National Training Center, with authorization derived from the Joint Activities Board, to evaluate all existing training programs and make improvements where necessary as well as develop and implement new programs reflective of the dynamic needs of employees and the company, especially in light of our changing workforce and emerging technology. Where appropriate, space permitting at locations designated by the Joint Activities Board, spouses and dependent children may attend certain training classes as defined by the joint study committee.

#### **I. NATIONAL TRAINING CENTER**

This National Training Center will promote and direct the development and implementation of skill development and training activities for active and dislocated employees. DaimlerChrysler and the UAW strongly encourage all employees to avail themselves of these activities.

Training and job placement efforts for dislocated workers will be focused on finding comparable employment as soon as possible. In plant closing situations, or in cases involving employees facing indefinite layoff where recall or future DaimlerChrysler placement is unlikely, the parties agreed that affected employees will receive up to four (4) hours release time for participation, in group information meetings, individual planning sessions and skill assessment. In addition, other pre-layoff activities will include, but not be limited to, basic skills training, counseling, alternative career training, job search, placement and related support services. Post layoff services will continue to be made available to laid off employees through the National Training Center. Cases of partial plant closings will be reviewed individually and appropriate services provided. In either case, services will be reviewed and approved by the Joint Activities Board.

In order to insure that Training activities improve the performance of the enterprise and provide participants with enhanced job security, it is essential that the National Training Center activities be integrated with the Corporation structures and business decisions. Therefore, the National Training Center will expand its efforts to establish and maintain close communication with Corporate/Group and Divisional staffs and

training functions to assure that the parties at all levels contribute to the development of effective joint training and development initiatives and utilize the resources and facilities of the National Training Center to disseminate effective training and development practices.

The duties and responsibilities of the National Training Center will include the following:

- Identify Skill Development and Training needs for active employees in the areas of basic education, job-related and interpersonal skills.

- Design promotional materials and activities to encourage the expansion of Joint Union-Management efforts in our society.

- Sponsor appropriate activities to provide a forum for national experts from labor, academia, business, and government to convene and deliberate upon the future of Human Resource Development.

- Authorize studies, demonstration projects and research activities on topics of mutual interest and importance.

- Monitor and evaluate National and Local Joint Training Committee Activities and provide status reports to the Joint Activities Board

- Investigate other career and training counseling alternatives.

## **II. RESPONSIBILITIES/LOCAL JOINT TRAINING COMMITTEE**

The Local Joint Training Committee, as described in the Memorandum of Understanding - Joint Activities, will be responsible for the Local Joint Training Committee Program. Additionally, the Local Joint Training Committee will be involved in training directed at UAW-represented employees and will assure that, based on a comprehensive needs analysis, training programs are readily available which enable employees to improve upon and upgrade their basic education, job, and interpersonal skills.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

O & C & E  
(96) Charging Vacation Time Off -  
Death in the Immediate Family

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the parties discussed the possibility of a death of an immediate family member as defined in Section (66)(g), occurring during a week in which employees are on a scheduled vacation. Under the National Office and Clerical and Engineering Agreements, such employees would be ineligible for bereavement pay because the vacation time off is not normally scheduled eight (8) hour days of work as referenced in Section (66)(g).

Notwithstanding the above, this will confirm our understanding that employees who are notified of a death in the immediate family and are otherwise eligible for bereavement pay during a week(s) in which they were scheduled to be, or are, on vacation, will not be charged vacation for the days, up to three (3) (or five (5) in the case of the death of an employee's current spouse, parent, child or stepchild) total, in lieu of bereavement pay which they would normally be entitled to, except for their non-work status during such vacation week(s).

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

(97) SWEES - Salaried Workers' Employment  
Level Snapshot Adjustments

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm the agreement of the parties that the Salaried Workers' Employment Level Snapshot for Units as set forth in the Memorandum of Salaried Workers' Employment Security System (SWEES) Program to the Collective Bargaining Agreement is subject to adjustment to reflect special situations by written agreement between DaimlerChrysler Corporation's Union Relations staff and the International Union, UAW - DaimlerChrysler Department.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 14, 1996

O & C & E  
(98) National Job Security Committee - Unique Attrition Credit

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed that the principle of replacing normal attritions of eligible employees would be continued in this Agreement as the general rule. In addition, it was recognized that exceptions to this concept are appropriate in unusual situations. For example, if a location has a large number of Protected employees who cannot be

effectively utilized, yet more Protected employees would be required because of the replacement concept, it may be appropriate not to do so.

Accordingly, this will confirm our understanding that the National Job Security Committee is specifically empowered to investigate unique situations and evaluate requests for full attritional credit at a particular location, and implement mutually satisfactory adjustments to Paragraph 11.B. of the Memorandum of Understanding on Salaried Workers' Employment Security System (SWESS).

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

November 19, 1990

O & C & E  
(99) Clarification of Plant Vacation Shutdown

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

There have been occasions where local plant management and the Local Union for P&M employees of a non-MOA plant have agreed to implement a plant shutdown pursuant to the provisions of a Modern Operating Agreement (MOA).

This confirms our understanding that salaried represented employees not scheduled to work during such shutdown period shall have the opportunity to utilize the provisions of Letter (8), Plant Vacation Shutdown - MOA Plants, of the National Office and Clerical and Engineering Agreements.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

November 19, 1990

O & C & E  
(100) Cooling Off Period

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

During the course of the current negotiations, the Union expressed concern that some disciplinary interviews escalated into confrontation because tempers flared. The Union suggested that in these situations a "cooling off" period would be beneficial to all concerned.

The Corporation and the International Union agreed that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. In those situations where emotions preclude this from happening, the parties agreed that as a matter of practice and when possible such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing, the parties recognized that certain actions such as assault, or other serious acts of misconduct, would render the "cooling off" period totally inappropriate.

Additionally, it was mutually recognized that providing or not providing a "cooling off" period will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John



Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

November 19, 1990

O & C & E  
(101) Employee Privacy

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning employees and/or their conduct in the workplace.

The Corporation reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Corporation will continue to protect and respect the confidential nature of all personal information. Both the Corporation and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

O & C & E  
(102) POW/MIA Flags

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During the current negotiations, the Union requested that Chrysler facilities fly POW/MIA flags. As discussed, flying of flags at Chrysler locations is a matter of Corporation policy administered by the Corporate Identity Office.

In view of the special sensitivity associated with Vietnam era MIA and POW issues, the Corporation indicated a willingness to consider exceptions to its normal policy on flags when so requested by a Local Union. These exceptions may include: to individual special requests, special days recognized by the U.S. Government to honor or remember POW's or MIA's, or other appropriate holidays, such as Memorial Day and Veterans Day.

It is understood that this matter is one of Corporate Identity Policy, and if revisions to the policy are made, the Union will be notified.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

November 19, 1990

(103) Home Unit Return Procedure  
Within a Labor Market Area

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During 1990 negotiations the parties discussed the administration of the six (6) month Home Unit Return Procedure within a Labor Market Area. The parties agreed that the purpose of the six (6) months waiting period was to minimize churning and not intended to create opportunities to hire shortly after individuals are placed from one unit to another.

Accordingly, the parties agreed that if unique situations involving the six (6) month Home Unit Return Provision arise, the National parties can review those situations and, if appropriate, provide a deviation to the application of the six (6) month waiting period.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

(104) College Credit Certificate/  
Certification Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed to continue and expand efforts toward the development of certificate and certification programs.

In order to recognize and encourage the enhancement of competencies and increased professionalism, the National Training Center will partner with Universities and other learning institutions to identify and develop NTC and TTC courses of study, appropriate for certification or certificates. These courses would also award college credit toward degree-seeking programs for completed studies associated with our joint programs.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Approved and Accepted:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

O & C & E  
(105) Outside the Labor Market Area  
Placement Election

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations, the parties discussed the placement of employees on job opportunities outside the Labor

Market Area pursuant to Paragraph III.C. of the Memorandum of Understanding - Salaried Workers' Employment Security System. The parties agreed that employees will be offered, in seniority order, the opportunity to volunteer for openings based on a non-revocable election made at such time as they are indefinitely laid off or assigned to Protected employee status. Volunteers will be offered placement in seniority order.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Godden

September 27, 1999

(106) Future Planning/Retired Worker Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Recognizing that DaimlerChrysler employees, retirees, and their spouses could benefit from specific retirement courses, the parties have agreed to continue the jointly developed Future Planning and Retired Worker Programs.

Participants will learn about many aspects of retirement, including such topics as: remaining healthy, financial planning, budgeting, taxes, investments, leisure activities and community/union involvement.

The programs will be funded and administered under the direction of the Joint Activities Board.

Very truly yours,  
DaimlerChrysler CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

November 19, 1990

O & C & E  
(107) Reinstated Grievances

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During negotiations of the National Production and Maintenance, Office and Clerical and Engineering and Parts Depots Agreements, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable Grievance Procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the Grievance Procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its (i) Executive Board, (ii) Public Review Board, or (iii) Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union representative involved, the UAW Chrysler Department may inform the Corporate Union Relations Staff in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Corporation will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either (i) are already barred under the provisions of the aforementioned National Agreements at the time of the reinstatement of the grievance or (ii) that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Corporation in the Grievance Procedure, or in any court or before any Federal, provincial, state, or municipal agency.

Notwithstanding the foregoing, a decision of the Impartial Chairman of the Appeal Board or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved and the Corporation, and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the aforementioned National Agreements, except as specifically limited herein, and does not affect Sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any Appeal Board decisions or other grievance resolutions.

It is understood this Agreement and the Corporation's obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

O & C & E  
(108) Pre-Retirement Leaves

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During our continuing discussions surrounding the new provisions of the SWESS Program, we addressed the desirability of having a new mechanism to help reduce the number of Protected employees in those situations where the sudden creation of a large number of Protected employees made it impractical to find meaningful assignments for those

employees. The Corporation was concerned about large numbers of employees who could return to a plant that had no available work for them. The Union, on the other hand, expressed an interest in longer seniority employees being able to take advantage of a program which would permit them to take a layoff and grow into retirement, while being replaced by Protected employees.

A mutually acceptable program has been developed that permits the utilization of Protected employee slots for voluntary pre-retirement leaves or other appropriate leaves. Such leaves will continue to be paid at eighty-five percent (85%) of straight time salary and the SWEL will be reduced as if separation had occurred under a Special Program under Attachment A of this MOU.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

O & C & E  
(109) Short-Term Military Duty

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

A seniority employee who is called to and attends an annual training encampment or is called to and performs active duty because of a local or national emergency as a member of the United States Armed Forces Reserve or National Guard shall be paid the difference between the employee's base salary to which the employee would have been entitled if not on military duty (including shift premium, if otherwise eligible, and cost-of-living, but exclusive of overtime and any other premium), and the military basic pay the employee received for those same days.



Payment shall be made for days (excluding Saturdays and Sundays) that the employee performs short-term military duty and otherwise would have been scheduled to work or, but for the employee's short-term military duty, would have been eligible for holiday pay.

Except for short-term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency, the Corporation's obligation to pay an employee under the provisions of this letter shall be limited to a maximum of fifteen (15) scheduled working days in any calendar year. In order to receive payment the following conditions must be met:

1. The period of short-term military or National Guard duty shall not exceed thirty (30) calendar days.

2. The employee shall be called to military or National Guard duty and shall furnish the Corporation with a copy of the employee's military orders in advance of the employee's military duty; and

3. Upon the employee's return to work, the employee shall furnish the Corporation with a statement (Military Pay Voucher) of the military pay while on such duty.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 18, 1993

O & C & E  
(110) Skill Enhancement Program  
For Spouses, Dependents and Retirees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the parties noted the substantial progress made in the joint development and implementation of basic skill enhancement programs throughout the plants.

Accordingly, the parties agreed to increase emphasis on basic skills enhancement by encouraging spouses, dependents and retirees to participate at Regional Training Centers on a space available basis. It was further agreed to investigate opportunities for spouses, dependents and retirees in locations inaccessible to Regional Centers.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 29, 2003

O & C & E  
(111) Mergers, Etc.

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation agrees that it will not engage in any merger, restructuring, or other business combination unless the merged, restructured or combined entity resulting from such merger, restructuring or combination agrees to assume the 2003

Agreements applicable to the facilities or operations affected by such merger, restructuring or combination.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 18, 1993

Engineering  
(112) Dimensional Analysis

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During the 1993 negotiations the parties discussed at length the Union's concern regarding sourcing to an outside vendor certain aspects of a new science of tolerance dimensioning to better control vehicle assembly for prescribed objectives for fit, caps, flushness and parallelism. Consistent with a long-term corporate goal of reducing reliance on vendors, such as Trikon, for such dimensional analysis, the Corporation advised the Union of its willingness to provide specific mandatory training in geometric dimensioning and tolerancing (GD&T) for designated Manufacturing Engineering and, where appropriate, Vehicle Engineering personnel to ensure such personnel are proficient with the latest advancements within their respective disciplines.

In addition, the Corporation stated its willingness to immediately begin to integrate CATIA documentation work beginning with 1996 model year programs, currently performed by vendor employees, into the represented Vehicle Engineering drafting classifications and to inform the Union of any resulting bargaining unit staffing changes.

Finally, the Corporation advised the Union of its belief that numerous and significant elements of dimensional analysis

engineering are properly assigned to non-bargaining unit Product Engineering employees,

Very truly yours,  
CHRYSLER CORPORATION  
By C. H. Eschenbach

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 18, 1993

O & C & E  
(113) Full Utilization of Protected Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 negotiations regarding the Salaried Workers' Employment Security System (SWESS), the parties discussed utilization of Protected employees at some length. The Corporation and the UAW have agreed that productive utilization of Protected employees is critical to the viability of our operations and to the continued success of our Salaried Workers' Employment Security System.

It was agreed that local SWESS Committees must make every effort to ensure that Protected employees are fully utilized on meaningful assignments. The parties have recognized that both underutilized employees and unproductive assignments are contrary to the spirit of the Agreement.

For purposes of the Salaried Workers' Employment Security System, "non-traditional" work could encompass any assignment(s) within the facility (except regular productive work, including the direct production, assembly or fabrication of vehicles or components) which can efficiently and safely be performed by the individuals involved.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 29, 2003

O & C & E  
(114) Salaried Workers' Employment  
Security System - SWEL - Exclusion to  
Protection for Volume-Related Layoffs

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During 2003 negotiations the parties discussed the administration of the forty-eight (48) week exclusion from the protection provided for volume-related layoffs contained in the 2003 Agreement. The parties agreed that both the protection and the forty-eight (48) week exclusion (which is inclusive of vacation shutdown weeks except for Model Change or Plant Rearrangement) are an individual protection. The parties further agreed that for purposes of administering this provision, subsequent to the completion of negotiations, the parties will develop a procedure consistent with the National and Local Seniority Agreements for implementing the individual forty-eight (48) week exclusion.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

(115) Product Purchase Programs

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm that during these negotiations the Corporation advised the Union that the Corporation will continue the Parts Purchase Program for eligible employees and retirees offering convenience and continued favorable pricing. The Program provides for 25% off list price on all Mopar DaimlerChrysler Corporation Genuine Parts and MMC Replacement Parts for MMC vehicles sold by DaimlerChrysler Corporation. Accessories for which there is no established list price, as well as remanufactured and performance parts, will be priced at dealer net plus 15%. The employee-retiree can order replacement parts by calling the program hot line (800.852.MPOAR). A certificate entitling the employee to purchase the ordered part(s) at the applicable discount will be shipped to the employee-retiree's place of residence. It is understood by the parties that this program is intended only for eligible employees-retirees.

In addition, employees-retirees who purchase and / or lease a DaimlerChrysler Corporation vehicle under the terms and conditions of the Employee-Retiree New Vehicle Purchase / Lease Programs are eligible to receive 25% off the list price (MSRP) on DaimlerChrysler Corporation Service Contracts. A toll free number (800.521.9922) and website ([www.servicecontracts.chrysler.com](http://www.servicecontracts.chrysler.com)) will continue to be made available to our employees for further program information. It is understood by the parties that this program is intended for eligible employee-retirees and family members. It is understood and agreed that the Corporation may at any time modify, change or discontinue the Program and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of these Programs shall not constitute a precedent for future negotiations on this subject.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

(116) Resident Engineers

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the recent negotiations, the Union raised the subject of Resident Engineers in the plants performing work which they claim has historically been Salaried Bargaining Unit work.

The Corporation explained that in order to improve quality in support of our Corporate goal to be world class by 2007, the Resident Engineer Program was implemented in 1994 with assurances to the International Union, UAW-DaimlerChrysler Department that it is not the intent of the Corporation to assign resident engineers to perform work historically performed by salary bargaining unit engineers!

The function of the Vehicle Engineering Resident Engineer is to reduce the time between identification of product related issues in the manufacturing process and corrective actions in the plant, since product design changes are the responsibility of Vehicle Engineering. The Resident Engineer will work with Vehicle Engineering to pursue design changes, and any resulting manufacturing and assembly process changes will be implemented by the plant Bargaining Unit engineers. In addition, the Resident Engineers will continue to use Corporate quality indicators (internal and external) to prioritize issues relating to product design.

It is not intended that Resident Engineers displace Bargaining Unit engineers or perform work that is normally performed by Bargaining Unit engineers. The Resident Engineer functions as a team leader/facilitator coordinating the activities of the other members of the team(s). The team(s) will generally include Bargaining Unit engineers from the appropriate

disciplines, i.e. tool process, quality and facility (plant), as well as hourly employees, and Non-Bargaining Unit employees in quality improvement initiatives.

When it is necessary for the Resident Engineer to perform functions on the plant floor relating to implementation of design changes that affect the manufacturing and assembly process, the Resident Engineer will liaison with appropriate Union employees.

Resident Engineering will implement procedures to ensure a constant flow of communication with the Bargaining Unit Engineers.

In order to eliminate potential disputes and misunderstandings, when a new Resident Engineer is assigned to a company facility, the Chairperson of the Engineering Unit at that location will be advised of the assignment.

The Corporation acknowledged that there have been instances where the Resident Engineers have infringed on Bargaining Unit work in the course of reaching their goal. In an effort to resolve this issue, a letter from the Executive Vice President of Manufacturing and Executive Vice President of Vehicle Engineering will be sent to the Resident Engineering Managers instructing them as to the contents of the document and holding them responsible for insuring adherence to the commitments made during these negotiations.

Within sixty (60) days of ratification of the 2003 National O.C & E Agreement a roundtable meeting between the Vice President and Director of the UAW DaimlerChrysler Department, the approximate members of the Vice President's staff and the Vice President of Employee Relation for the Corporation, including the Executive Vice Presidents of Manufacturing and Vehicle Engineering to develop an instrument to distribute to all plant managers of the DaimlerChrysler Corporation describing the relationship between resident engineers and salary bargaining unit engineers.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Francios

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Nate Gooden



September 29, 2003

O & C & E  
(117) Union and Company Awareness

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these 2003 negotiations, the parties reaffirmed their support of the jointly designed and developed employee awareness program regarding the long historical relationship between the UAW and Chrysler. Further, critical issues and problems resolved over the years, as well as the future needs and concerns of each party's respective constituencies, were also addressed. The parties agreed to strengthen the program by continuing the development union and company historical presentations as provided for in the standardized new hire orientations. Additionally, local union presidents and plant/depot managers may continue to identify, through signage, the UAW local(s) representing workers at their locations. Also, the Corporation will continue to affix the UAW registered logo to DaimlerChrysler Corporation tractor doors.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

(118) Union Quality Recognition

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The parties fully recognize the success and achievements ~~\_\_\_\_\_~~  
that the Product Quality Improvement Partnership (PQIP) ha~~\_\_\_\_\_~~

had on quality and the role of our employees in this improvement. During the recent negotiations, the Company renewed its commitment to recognize the contributions of UAW members to the significant improvements in DaimlerChrysler Corporation's product quality, and explore how PQI can be expanded, including the following:

- Providing opportunity, through the Local PQI Partnership Committee and the Local Employee Participation Council (LEPC) , for a joint label or decal certifying the product was proudly built by DaimlerChrysler Corporation employees who are UAW members to be displayed on assembled vehicles, and packaging and shipping labels.

- Completion of a project to affix PQI decals to existing DaimlerChrysler Corporation truck trailers used to transport product produced by UAW-DaimlerChrysler-represented employees within twelve (12) months, if possible, and a commitment to identify new such trailers in a like manner;

- Creation of a study group appointed jointly by the Vice President and Director of the UAW-DaimlerChrysler Department and the DaimlerChrysler Corporation Senior Vice President of Employee Relations which will meet with, among others, representatives of the Corporation's Sales and Marketing organization, to explore how PQI and its heretofore successful process can be broadened and/or energized.

- Providing opportunity for input from the National Employee Participation Council (NEPC) in marketing campaigns.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 18, 1993

O & C & E  
(119) Voluntary Termination of Employment Program -  
Plant Level Communication

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 negotiations the Company and the Union discussed Attachment A of the Salaried Workers' Employment Security System Memorandum of Understanding as it relates to the Voluntary Termination of Employment Program (VTEP). The parties agreed that in the event VTEP is offered during the term of this Agreement, the National SWESS Committee will closely monitor the communication and administration of the Program at the local level to ensure that eligible employees are provided comprehensive information and counseling to ensure their complete understanding of Program provisions and the implications of accepting such an offer.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

(120) Fitness Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

The UAW-Chrysler National Training Center is dedicated to a total lifestyle approach to fitness and well-being. Therefore, during these negotiations, the parties agreed to continue providing joint funds for exercise equipment and professional

oversight. Additionally, the NTC will retain responsibility for the procurement of fitness center equipment.

Local Joint Training Committees may submit requests to utilize local funds to purchase fitness equipment. Such requests must be in accordance with the UAW-Chrysler Fitness Center Guidelines.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

O & C & E  
(121) Youth Programs

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties reaffirmed their support of programs for the children and grandchildren of UAW-represented Chrysler workers. These programs will also be available to other youth on a space available basis.

Under the direction of the Joint Activities Board, the National Training Center has developed a Youth Program which has been implemented at Regional Training Centers and other designated locations. This program is designed to supplement the normal education system, alleviate teen problems, encourage academic excellence and guide career selection and development. In furtherance of these initiatives for youth, the Chrysler Corporation and the National Training Center will work together on various projects to enhance the delivery of services to the youth of UAW-represented Chrysler workers.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

November 19, 1980

O & C & E  
(122) Appeal Board Rules of Procedure

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the course of these negotiations, a question was raised regarding the Appeal Board Rules of Procedure dated December 5, 1962, and specifically the rules regarding scheduling of a hearing. The parties agreed that it is not the intent to use those rules as a device to frustrate the arbitration process.

In the event the parties cannot agree to a satisfactory date, either party may request that the Impartial Chairman schedule and participate in a meeting of the Appeal Board to resolve the matter.

Very truly yours,  
CHRYSLER CORPORATION  
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 27, 1999

O & C & E  
(123) Americans with Disabilities Act

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the parties discussed the effect of the Americans with Disabilities Act. The parties agreed that it is their mutual interest to jointly develop understandings covering the rights of qualified persons with disabilities.

Accordingly, the parties agreed that the Vice President of Employee Relations of the Corporation and the Vice President and Director of the Chrysler Department, International Union - UAW will each designate three (3) individuals to serve on an ADA Advisory Committee. This Committee may meet and confer at mutually agreeable times to discuss these matters.

Additionally, the Advisory Committee may discuss the concerns of either party relative to the Corporation's implementation of ADA legislation.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

O & C & E  
(124) Equal Application Representation

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

For many years the Corporation and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, status as a qualified person with a disability, sexual orientation, union activity or membership in any other legally protected class. To this end, the parties have expressly incorporated in their Production and Maintenance Agreement an "Equal Application" provision that both insures adherence to that principle in all aspects of employment at DaimlerChrysler Corporation and provides the contractual Grievance and Arbitration Procedure for the resolution of alleged violations of that principle.

The parties now recognize the desirability of providing for an equal application process under the Office and Clerical and Engineering Agreements. As such, the following will apply:

1. The National Equal Application Committee as authorized under Letter (116) of the Production and Maintenance Agreement shall also represent Office and Clerical and Engineering Union interests.
2. A local Equal Application Committee representing salaried represented employees shall be established and operate under the terms of the Production and Maintenance Agreement, Letter (116), in facilities where currently no hourly Equal Application Committee has been authorized.
3. In facilities where the Production and Maintenance Agreement currently provides for an Equal Application Committee, the basic principles of Letter (116) shall pertain to office, clerical and engineering, and technical employees and their interests and/or concerns shall be represented by the Union Representatives of the local Equal Application Committee empowered pursuant to the terms of the National Production and Maintenance Agreement.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

O & C & E  
(125) Tobacco Smoking in the Workplace

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the Company and the Union discussed concerns regarding tobacco smoking in the workplace, including second-hand tobacco smoke. It was discussed that the Company shall continue to comply with all applicable local, state and federal laws, ordinances, and regulations regarding tobacco smoking in the workplace. In the event it is alleged that a facility is not complying with all such applicable laws, and such issue cannot be resolved locally, then the issue shall be elevated to the International Union DaimlerChrysler Department and Corporate Union Relations Offices.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden



October 18, 1993

O & C & E  
(126) Recycling Programs

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

During these negotiations the parties discussed the corporate policy and directives relative to vehicle recycling and waste minimization program. Both of these directives affirm the Corporation's commitment to natural resource conservation and the protection of the environment.

Vehicle recyclability and the use of recycled materials are an increasingly integral part of the Company's vehicle program planning and development process. The Corporation's goal is to facilitate recycling of our products through such means as material selection, assembly techniques and manufacturing processes. We also encourage recycling by purchasing recycled materials.

The Corporation continues to be a strong supporter of recycling programs and has implemented numerous recycling initiatives at its locations. Chrysler is also active in recycling initiatives in the various communities in which it operates. Chrysler supports many community projects to increase the awareness of environmental issues and to promote ways of establishing recycling as a way of life. The involvement of Chrysler employees in these projects has been well received and is a major reason for their success.

The Corporation will continue to encourage and support recycling efforts of local communities, Local Unions and employees, consistent with corporate policy, which will support the protection and the conservation of the environment, both at the corporate level, as well as the local level.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

O & C & E  
(127) Call-In Pay

International Union, UAW

Attention: Mr. J. Jensen

Dear Sir:

During these negotiations, the parties discussed the Union's concerns regarding call-in pay for salaried employees.

The Corporation has advised the Union that although there is no specific provisions in the O.C. & E. Agreement addressing Call-In Pay, it reaffirmed its intent to continue to handle Call-In Pay for salaried employees in the same manner as has been done historically.

Very truly yours,  
CHRYSLER CORPORATION  
By R. A. Miller

Accepted and Approved:

International Union, UAW  
By J. Jensen

September 27, 1999

(128) Ergonomics - Special Study Group

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the course of these negotiations, we agreed that two (2) issues within the area of ergonomics required further study and debate and, therefore, would be discussed following the conclusion of negotiations. Accordingly, following receipt of notification of ratification of the Collective Bargaining Agreements, a study group shall be formed. The composition of the study group shall be the Senior Manager of Current Safety Processes and the Manager of Ergonomics for the Corporation

and the head of the DaimlerChrysler UAW Health and Safety Department, along with the UAW International lead ergonomist for the Union. The study group shall investigate and review their findings along with recommendations, if any, with the NJC on two subject matters as follows:

Review the 1981 and 1991 NIOSH lifting guidelines to compare their criteria and determine if a consensus between the two (2) documents can be found. If deemed necessary, the study group may recommend a SAC study to evaluate the applicability of the two guidelines to lifting jobs from selected facilities across the Corporation. If necessary, SAC will be consulted on the design of such a project, and an external investigator selected. The results of this study will be discussed and recommendations presented to the NJC before the end of the year 2000.

Investigate the usefulness of and methods for labeling weights of containers to determine if there are feasible means to enhance ergonomic improvements, while recognizing industry and manufacturer issues, along with other factors such as standardization. The parties recognize that risks can be associated with the lifting of heavy containers in awkward positions. In that context, the study group will explore the feasibility of labeling the weights of containers. The results of this study will be discussed and recommendations presented at the NJC before the end of the year 2000.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 18, 1993

O & C & E  
(129) Health Awareness Review

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

The National Training Center in conjunction with the Joint Insurance Committee and other groups within the Corporation and the Union will develop and assist in implementing educational and health awareness training programs having components such as:

-- information to encourage covered persons to obtain quality health care in a cost-effective manner, and

-- information to help covered persons develop and maintain healthy lifestyles.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 29, 2003

O & C & E  
(130) Technology Training Center

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 1993 negotiations, the parties agreed to establish the Technology Training Center (TTC) to provide the Corporation a centralized location in which to train and upgrade employee skills. Since its inception, the TTC has become a

major provider of technical training for UAW represented DaimlerChrysler workers.

UAW/DaimlerChrysler National Technology Committee will serve in an advisory capacity to the Joint Activities Board. It will review upcoming technology and make recommendations of future training plans to the Joint Activities Board.

The Technology Training Center will be responsible for five (5) major components:

1. Skilled Trades Core Skills Training and Salaried Technical Training

-- Equipment, materials, machine and state of the art technology

2. Production Worker Technical Skills Awareness Program

-- Coordinate a Production Technology course for UAW-represented DaimlerChrysler workers to:

-- Familiarize them with industry related Technologies and,

-- Train them in the primary automotive components and systems. The training includes how the various components, such as power trains, suspensions, steering, brakes, electrical systems, etc., function with one another.

3. New Processes Training

4. Apprenticeship Core Skills Training

5. Safety Training

During these negotiations, the parties discussed at great length the many issues impacting the effective utilization of the UAW-DaimlerChrysler Technology Training Center. Issues that negatively affect opportunities to increase participation were also discussed. We concurred that the complexities and ramifications of these issues require more in depth review and study. Accordingly, it was agreed that a Joint Study Group, to include representatives from TTC, Manufacturing, Parts & Services, Engineering and other interested parties will be formed to discuss issues relative to:

1. Roles and Responsibilities of Local Technical Training Committees (LTTTC)

2. Releasability of students for training
3. Applicable NTC training that meets the current and future technical manufacturing needs
4. Measures to determine effectiveness of training
5. Potential opportunities and redundancies of other DaimlerChrysler training efforts
6. NTC registration and acknowledgement process
7. More active LEPC involvement in Local Technical Training efforts and reporting
8. Benchmark training operations in world class activities
9. Other issues of interest which may result from these negotiations

The Joint Study Group will meet and present its findings to the National Employee Participation Council (NEPC) within six (6) months of the date of ratification of the Agreement at its next scheduled meeting and at subsequent NEPC meetings.

The TTC will maintain an Education and Training Tracking System.

#### **Technology Training Center Funding**

Funding for the Technology Training Center will be determined by the Joint Activities Board.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

O & C & E  
(131) Training - Civil Rights and  
Equal Application Committees

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the Company and the Union agreed to update equal application training within the terms of the Agreement. It was further agreed, that equal application training will be included in the New Hire Orientation Program.

In addition, the parties determined that specialized training involving the investigation and handling of employee complaints concerning alleged violations of the above would be beneficial to local Civil Rights Committees and Equal Application Committees in the discharge of their responsibilities under Section (4) of the National Agreement.

Moreover, the parties acknowledged the best way to minimize the incidence and impact of sexual harassment is to have positive training and education programs to sensitize supervisors, union officials and employees to sexual harassment concerns.

Accordingly, it was agreed that the National Training Center and the Corporation's Diversity and Work/Family Department will jointly develop and provide such training under the direction of the Joint Activities Board.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(132) Sexual Harassment Counseling for New Hires

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties have engaged in considerable discussion about providing counseling to employees with less than eight (8) months of service who allege that they have been sexually harassed. To that end, the corporation has agreed to create a special counseling program to address this concern, which will begin during the first quarter, 2000.

Criteria for participation are the following:

A formal complaint alleging sexual harassment must be filed with the corporation,

A joint UAW-Management investigation of the complaint must have begun, and

The employee must request counseling services.

The employee may then go to the Employee Assistance Program representative for a referral to an approved treatment program. Under the provisions of this program, employees will be eligible for up to the same number of counseling sessions as provided by the regular corporate mental health benefit. Costs for such services will be paid for through the Joint Activities Fund, and will terminate at the time that the employee qualifies for regular corporate benefits.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
Stephen P. Yokich



October 14, 1996

(133) Union Dues Deductions

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

Notwithstanding the provisions of (M-2) Memorandum of Understanding Union Dues Deductions, the Company will remit all sums deducted from pay to the Financial Secretaries of the Local Unions pursuant to (M-2) using the present method or via electronic transfer to the Local Unions financial institution.

It is understood that the Financial Secretaries of the Local Unions will notify the Company of their desire to have deductions electronically transferred. This change will be effective within ninety (90) days following notification to the Company.

If electronic transfer is selected, the payment will be made within two (2) to three (3) days after the first pay period in each month.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 27, 1999

(134) Utilization of Plant Training Funds

International Union, UAW

Attention: Mr. Jim Jensen

Dear Sirs:

During these recent negotiations, the parties discussed the issue of utilization of plant training Funds. While it was agreed

that M-3, Memorandum of Understanding on Joint Activities clearly discusses the utilization of National, Reservoir and Local Funds, there has been little dialogue regarding the use of training funds out of the Plant budget.

The parties have agreed that discussions will be held at least once a quarter in the Local Employee Participation Council relative to training funds and training schedules.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By R. A. Miller

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Jim Jensen

September 27, 1999

(135) Environmental Protection Agency (EPA)

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the Union expressed concerns relative to the importance of environmental protection issues. The Union was advised that any DaimlerChrysler Corporation report to the EPA that directly impacts an employee's health and/or safety will be made available upon request to the Local Joint Health and Safety Committee, who will forward a copy to the National Joint Committee.

Further, upon request, the DaimlerChrysler Corporation will notify the Local Joint Health and Safety Committee of significant environmental remediation projects, spills or releases that are subject to government reporting requirements. The Local Joint Health and Safety Committee will forward such information to the National Joint Committee.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

O & C & E  
(136) Extension of Seniority Recall Rights

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm our understanding that, notwithstanding the provision of Section (42)(e) of the Office and Clerical and Engineering Agreements, laid off employees who have not broken their seniority as of September 29, 2003 shall retain their seniority recall rights through the term of the new Agreement.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 14, 1996

(137) Job Security Program(s) - Appeals  
to the National Committee

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During these negotiations, the parties discussed procedural requirements for submission of unresolved local issues to the National Committee. To assist in providing timely resolution of issues and responses to appeals, it is agreed that the local parties are required to follow these established procedures:

The local Job Security, Operational Effectiveness and Sourcing Committee (JSOESC) is obligated to review all complaints regarding the administration of the program.

The Agreement provides that the national parties will limit their review of complaints to those raised, in writing, within 60 days of the SWEL Evaluation Date or other event giving rise to the complaint.

Local management will provide its written position within ten (10) working days of receipt of a written appeal from the local union.

The local union shall, within ten (10) working days of receipt of the Company position, give written notice that the matter will be appealed to the National Committee.

Appeals should be jointly submitted and clearly state the position of both of the parties. The appeal must be signed by both chairpersons of the local JSOESC as an acknowledgment that the issue was discussed locally.

Complaints received from only one side - - Company or Union - - are not considered joint appeals. These unilateral complaints may be returned to the sending party by their respective national staff for consideration by the other local party.

Copies of completed appeals should be forwarded simultaneously to both the National Chrysler Department and Employee Relations, Chrysler Corporation.

Appeals shall be promptly reviewed by the national parties. The local parties will be advised, in writing, within thirty (30) working days following disposition of the matter by the National JSOESC (NJSOESC). The NJSOESC will also advise the parties if the national parties are unable to reach consensus.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

(138) Early Production Vehicle Driving

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During the course of the current negotiations, the Union raised the issue of hourly employees driving early production vehicles at or near the Corporation's assembly plants in an attempt to identify problems early in the production process that may affect the quality of the vehicle, and whether such work was more appropriately work to be performed by Proving Grounds Test Drivers.

The Corporation advised the Union of its belief that the work at issue was not appropriately Proving Grounds work as Proving Grounds driving is a development responsibility to verify product design intent meets durability requirements. The Corporation advised the Union it historically receives information on the evaluation of vehicles from many areas, including, but not limited to, Product Evaluation vehicles, Fast Feedback and overnight vehicles, and that the early production vehicle driving program was another effort to evaluate the vehicle in an attempt

to improve quality, focusing on the relationship of production process variation to product performance.

Notwithstanding the above, it is agreed that if employees are assigned to perform early production vehicle driving assignments they will be assigned to the appropriate salaried Bargaining Unit classification. Routine quality checks associated with brief drives at the end of the assembly line will continue to be performed in the present manner.

The Union also raised concerns regarding distribution of data collected by the drivers. The Corporation assured the Union that this information as with other evaluation information is made available to the plant for appropriate action as required.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 27, 1999

(139) Product Development and Product Transformation

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During these negotiations the parties discussed various issues related to product development and product transformation. Both the Company and the Union recognize that future jobs depend on, among other things, continuing investments in product development. Shifting markets, changing consumer tastes, new governmental regulations, international harmonization of such requirements, and a host of other factors have a direct impact on vehicle development and manufacturing. The products manufactured and services delivered must meet evolving customer preferences and demands at a competitive price.

The Company fully understands the Union's concerns relative to investment in new products and services, and that such investments, while absolutely necessary, may not alone guarantee good future jobs. New products require additional skills, spur changes in labor demand, and entail new sourcing decisions. The parties acknowledge that involving the Union at the earliest stages of the product development cycle is key to attaining job security while meeting the global challenges of improved quality, speed to market, product innovation, and lowering total costs. To that end, the Corporation has been, and continues to be, fully committed to working with the Union to seek and identify appropriate jointly developed technical training programs that will match new skill requirements with evolving technologies, products and services, along with the implementation of new programs to cushion unavoidable dislocative effects of rapid product transformation and development. The Company recognizes that working together will help preserve and grow good paying jobs for all current and future UAW-represented employees at DaimlerChrysler Corporation.

In preceding National Agreements and during these negotiations, the parties have recognized the importance of the Union's role and involvement in the product development cycle and product transformation through provisions, such as the Memorandum of Understanding-Sourcing (M-10), which provide a mechanism for early UAW involvement in the Corporations' plans to proceed with a new or redesigned vehicle. To that end, it is understood and reaffirmed that early during the product development cycle, matters such as sourcing patterns, possible changes in assembly, sub-assembly, stamping, power train and other component sourcing patterns, possible insourcing opportunities, and technology which may impact the represented workforce will be reviewed with the International Union in accordance with the provisions of the Memorandum of Understanding-Sourcing (M-10). Such early and up front involvement will allow the Union to continue to be provided with current and anticipated major product developments/product transformations that are having, are expected to have, or could potentially have an effect on employment levels such as projected changes in the major components for motor vehicles (e.g. shift to new propulsion technology and energy storage devices), in materials (e.g. increased use of plastics and/or aluminum in body panels, shift to aluminum castings), in assembly and design (e.g. for easier assembly/manufacturing methods and for disassembly for recycling purposes).

Further, the Union's early involvement during the product development process allows for discussions relative to issues such as the impact of a traditional gas-fueled internal combustion engine vehicle, and, for example, the comparable electric, hybrid electric, fuel cell, or dedicated and flexible alternative-liquid-fuel vehicle with respect to major components, materials, and assembly methods. In each case, the Company will indicate the extent to which changes in specifications will be handled through the revamping of existing UAW operations, by means of technology residing in other divisions of the Corporation or by outside sourcing arrangements.

Finally, it is recognized that the Memorandum of Understanding-Sourcing (M-10) provides an avenue for discussions as early as practicable in the product development cycle relative to projected production volume of new materials, components, and products, and the potential impact, if any, on UAW represented jobs.

Very truly yours,  
DaimlerChrysler Corporation  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 18, 1993

O & C & E  
(140) Possible Changes in Corporate Structure

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the Union has expressed concern regarding possible changes the Corporation may make in its corporate structure during the term of the next National Collective Bargaining Agreements. Representatives of the Corporation and the Union have met and discussed this subject, with the result that each of the parties has gained a better understanding of the other's interests and concerns.

The Corporation has advised the Union that Management has certain structural changes under review. Other than this



letter agreement, no specific provisions were negotiated or agreed upon with respect to this matter; but if any structural changes are made, the Corporation agrees that it will meet to fully review them with the Union. In reviewing such structural changes, Management will explain the nature and purpose of each and their potential effect, if any, on the Union and its members covered by these Labor Agreements.

Further, if there is likely to be any significant impact on the bargained-for rights of UAW-represented employees, good faith discussions between the parties will be undertaken promptly.

Any alleged violation of Chrysler Corporation's contractual obligations to the UAW and to its UAW-represented employees that is in dispute after such good faith discussions will be subject to special expedited arbitration within sixty (60) days after being placed in issue regarding such restructuring. The Chairman of the Appeal Board designated in the National Agreements or another agreed upon arbitrator will have jurisdiction to remedy violations of this letter.

It is the objective of this letter to satisfy Chrysler's basic contractual commitments to the UAW and to its UAW-represented employees as if no restructuring had occurred. Therefore, Chrysler agrees that it and any holding company created as a member of the Chrysler family will agree to be bound by the results of the above-mentioned arbitration to the extent necessary to remedy a violation of such contractual commitments by Chrysler.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 18, 1993

O & C & E  
(141) Salaried Workers' Employment Security System

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

This will confirm our understandings in the following three areas:

**Emergency Absentee Replacements**

1. This letter clarifies that the Corporation intends to continue the practice of limiting the use of Protected employees as absentee replacements to emergency situations only (e.g., snow days or other acts of God), and even then only with the consent of the Local SWESS Committee unless otherwise directed by the National Committee.

**Volume Increases**

2. When the workforce increases due to an increase in volume, Protected employees corresponding to the increase in volume are removed from Protected employee status and placed into a regular plant department, and if there are seniority employees on layoff, the same number will be assigned to Protected employee status from layoff. The term "Protected Employee Status" as used by the Company is only a control against improper charging.

**SWESS Accounting**

3. Within ninety (90) days of the effective date, the National SWESS Committee will review the Corporation's accounting practices that relate to charges for the SWESS program.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 27, 1999

(142) Salaried Skilled Trades Hiring Minimum

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs :

During these negotiations the Union expressed concern about the base salaries paid to salaried Skilled Trades journeymen hired from outside the Corporation.

The Corporation agreed that future salaried Skilled Trades journeymen hired from outside the Corporation shall be paid not less than the base salary of the apprentice schedule for the appropriate classification as contained in M-8 Salary Classification and Grade Supplement.

Additionally, the Corporation agreed to increase the base salary of salaried Skilled Trades journeymen on the active roll as of the effective date of this agreement to the base salary of the apprentice schedule for the appropriate classification as contained in M-8 Salary Classification and Grade Supplement.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved

International Union, UAW  
By Stephen P. Yokich

September 29, 2003

O & C & E  
(143) Lockout Validations

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

We have spent considerable time discussing our lockout policy and compliance with its provisions. We have concluded that our process for lockout is valid and sound. While we continue to struggle with methods to maintain full compliance of energy control lockout, we continue to explore means to enhance its utilization, all the time, in the proper manner on the manufacturing floor. During this round of negotiations, we collectively conceived a means in which to enhance compliance.

In that regard, we agreed to institute some additional processes, which will perform validations of the knowledge and ability of maintenance, trades and service employees to exhibit their proficiency in de-energizing equipment they service. These process flows are as follows:

1) LJHSC members, when performing their S-58 floor audits, will randomly select a tradesperson or service personnel each time they complete a cycle of their audit and have them exhibit their knowledge of how to lockout a specific piece of equipment and/or work cell.

2) During their audit of a facility, the NTC audit team will randomly select five (5) tradespeople or service personnel and have those individuals exhibit their knowledge and proficiency to lockout specific equipment they service.

3) During their weekly safety observation tours, the appropriate steward(s) and maintenance/service personnel supervisors shall randomly select two (2) employees to exhibit their knowledge and proficiency to lockout specific equipment they service. During the WSOT, the supervisor and stewards should also inspect and verify the accuracy of placards.

4) At the Monthly Safety Review Board meetings, the LEPC will review the reports of the LJHSC, the NTC audit team and the WSOT data to determine the level of lockout compliance proficiency. The LEPC will take immediate actions to remedy any deviations or short-comings in training, proficiency or adjustments to their Local Lockout Program.

Both parties recognize the importance of this issue and  
pledge their full support in ensuring DaimlerChrysler has a  
compliant program.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

September 29, 2003

(144) SWESS - Movement of Employees  
on Protected Status

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This letter confirms the Parties' understanding that when movement of employees on Protected Status to replace attrition would involve relocation between Units in different Labor Market Areas, such placement would be subject to prior review and approval of the National Job Security, Operational Effectiveness and Sourcing Committee. In such cases, the National Committee may effect alternative measures to satisfy the parties' needs and obligations, depending upon the situation and circumstances.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

September 27, 1999

O & C & E  
(145) SWESS Administration

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the recent negotiations, the parties discussed the benefits derived by the Automated SWEL Reporting System in simplifying the administration of the plant reporting system and forms associated with the Salaried Workers' Employment Security System. The parties recognize that simplified, accurate information and reporting is essential in making informed decisions. In doing so, the Corporation developed a computer generated and transmitted monthly plant breakdown of charges against the Salaried Workers' Employment Security System and a computerized system which calculates and reports the status of the revised SWESS Program.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 18, 1993

O & C  
(146) Accounting Training

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During negotiations leading to the 1993 Agreement there was much discussion relative to how current accounting and other mutually agreed upon employees might become prepared to fill current and future accounting promotional openings.

In an effort to upgrade the skills of such persons desiring accounting promotions, it was agreed that qualified persons in the SWEPS bank can be used to replace persons desiring consideration but lacking necessary college credit while such persons attend accounting classes at educational institutions approved for reimbursement under the Tuition Assistance Program. It was also agreed, that when filling feeder positions to accounting positions (Timekeepers to Payroll Clerks), consideration would be given, consistent with seniority, to those persons who replaced persons attending college accounting classes as part of this special arrangement.

Very truly yours,  
CHRYSLER CORPORATION  
By C. H. Eschenbach

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 18, 1993

O & C & E  
(147) Employees Called to Duty with Reserve Forces

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Chrysler Corporation recognizes that our employees are an essential element of the Reserve Forces of the United States. Presently, when such employees are called to long-term active duty, they will be released for such duty.

During these negotiations, the Company and Union discussed the personal hardships employees may face when called to active duty, particularly on short notice. The Company assured the Union it will give full consideration to requests from Reservists for time off needed to take care of personal affairs when they are called to long-term active duty.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 27, 1999

O & C & E  
(148) Family and Medical Leave Act of 1993

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties discussed the Family and Medical Leave Act (FMLA) of 1993. The Company assured the Union that it will comply with the provisions of the FMLA.

As part of its compliance, the Company presently plans to establish a new category of unpaid leave called "FMLA Leave". In some instances, FMLA Leaves will be concurrent with leaves of absence covered by Section (66)(a) and (78)(a) of the Office, Clerical and Engineering and Production and Maintenance Collective Bargaining Agreements, respectively. Accordingly, in those cases where the employee is eligible for leave under the DaimlerChrysler-UAW Collective Bargaining Agreement and the leave also qualifies under the FMLA, the Company intends to comply with the requirements of the FMLA as well as the separate provisions of the Collective Bargaining Agreement regarding covered leaves of absence.

Pursuant to the Company's present plan for compliance with the FMLA, the Company's rights under the Act will be modified to:

-- Provide that an employee on FMLA Leave will continue to accumulate seniority in the same manner as the employee also would be eligible under Section (66)(a) and (78)(a) of the Office, Clerical and Engineering and Production



and Maintenance Collective Bargaining Agreements, respectively, as appropriate;

- Permit but not require employees to substitute vacation and/or excused absence allowance for unpaid FMLA Leave;

- Provide that employees who are married to each other will be each entitled to a maximum of 12 weeks of qualifying leave under the Act;

- Provide that, when a third opinion is necessary under the medical certification and dispute resolution sections of the FMLA, the neutral provider will be selected jointly by the Company and the Union from a list, provided by the appropriate local or state professional medical association, of board-certified specialists in the field of medicine in which the point of controversy exists;

- Continue Company-paid Group, Life, Accidental Death and Dismemberment, and Disability Insurance during all FMLA Leaves that are not also DaimlerChrysler-UAW Medical Leaves as if such leaves were DaimlerChrysler-UAW Personal Leaves of Absence.

In addition, the Company's plan for compliance would:

- Not automatically designate and apply absence time that is compensated under the Sickness and Accident Insurance provisions of the Life, Disability and Health Care Benefits Program against an eligible employee's FMLA entitlement.

- Use, initially, a calendar year as the 12-month period of the leave entitlement (for example: in 1993, from the effective date through December 31, 1993; in 1994, from January 1, 1994 through December 31, 1994);

- Require repayment of the cost of health care coverage provided during the leave from employees who fail to return from FMLA Leave to the extent permitted by law.

The Department of Labor has not yet issued final regulations regarding this Act. The Company may make changes in its compliance plans to reflect final regulations and/or subsequent court decisions and the gaining of additional administrative experience but without reducing leaves provided by the Collective Bargaining Agreement.

Problems related to the implementation of this letter may be discussed by representatives of the UAW National Chrysler Department, and the Company's Employee Relations Staff.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 18, 1993

O & C & E  
(149) Payroll Direct Deposit

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the course of these negotiations, the Corporation agreed to continue the Electronic Funds Transfer (EFT) option for salary payroll payments.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 18, 1993

O & C & E  
(150) Support Order Deductions

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 bargaining, the parties discussed a variety of unusual payroll related issues impacting certain employees' pay. While a number of issues were covered, a specific area of concern involved employees subject to support orders when certain lump sum payments are made. For these employees, such payments can be delayed because of the legally required arrearage verification and adjustment procedures.

The Company advised the Union of existing procedures for the advance notification to the respective courts, in a manner consistent with legal requirements, of pending lump sum payments to employees subject to support orders. Further, the Company recognizes that processing adjustments to those lump sum payments should be done in a timely manner consistent with the law.

Following negotiations, the respective Plant Personnel Manager will advise the Unit Chairperson of the legal notification and adjustment procedures and timing applicable for employees subject to support orders at their locations.

Where these procedures are not functioning in a timely manner, the respective Unit Chairperson may bring the matter to the Plant Personnel Manager for appropriate corrective steps. If the matter continues unresolved, the National Chrysler Department may bring it to the attention of the Employee Relations Office of the Company.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

September 28, 2003

(151) Payroll Matters

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the current negotiations, the Union expressed concern regarding a number of payroll related matters. In resolution of these payroll matters, the Corporation agreed to implement the following:

- Local Unions may request and receive monthly union dues deduction information from both regular pay and Supplemental Unemployment Benefit (SUB) on a 3.5" disk or other acceptable format from Diversified Data Corporation, or such other third party computer services provider as determined by the Corporation. The cost of the creation and distribution of these disks will be paid for by the Corporation. The Local Unions will be responsible for any costs related to computer software and/or hardware necessary to process the monthly data.

- In addition, the Corporation and the Union agree that delivery of the separate union dues listing by electronic, rather than paper, provides overall efficiencies and benefits for all parties. Further, the Corporation and Union agree to encourage each Local Union to convert from paper listings to other acceptable electronic media (e.g., e-mail) where feasible!

- The Corporation agrees to continue to provide the International Union an electronic file of all Voluntary Community Action Program (V-CAP) deductions on a monthly basis. This detail supports the electronic transfer of funds to the International Union for all V-CAP deductions!

- In addition, the Corporation and Union agree that V-CAP deduction detail will be provided by the Corporation to the Financial Secretary of each Local Union. The Corporation and Union will jointly study the best means to accomplish this. Local Unions will receive their detail listings in the same format as determined for union dues solicitation (e-mail or paper), with electronic means being the mutually preferred method!

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 18, 1993

O & C & E  
(152) Wage Inequities

International Union, UAW

Attention: Mr. Leonard J. Paula

Dear Sirs:

During these negotiations the parties discussed the Union's concerns regarding wage inequities for salaried employees.

The Corporation stated that its Job Evaluation Plan assures that each job submitted for evaluation is assigned to the proper classification/grade commensurate with the work performed by the incumbent employees working in the classification. The Salary Administration Department compares the job being evaluated with benchmark jobs that are in higher, lower and best fit grades and assigns the classification/grade to the job that is appropriate for both the duties performed and the relative amount of time spent by incumbent employees performing the major duties of the job.

The Corporation assured the Union that job evaluations are a major ongoing function of the Salary Administration Department. New jobs, jobs substantively changed, and jobs for which the classification/grade are questioned are regularly submitted for evaluation. Further, jobs are evaluated whenever the correctness of a classification is the subject of a grievance.

Very truly yours,  
CHRYSLER CORPORATION  
By C. H. Eschenbach

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Leonard J. Paula

October 18, 1993

O & C & E  
(153) Medical Treatment During Working Hours

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

In the event an employee sustains a work-related injury or occupational disability in the course of employment with the Corporation which requires the employee to leave work with the permission of supervision to receive medical treatment during working hours, on that day, such employee will be compensated for the working time lost on their regular scheduled shift.

In addition, if the medical treatment continues beyond the regularly scheduled work hours on that day, the employee will be paid for up to four (4) hours or until the time the treatment is completed, whichever occurs first. Payment will be made at the employee's regular salary provided the employee presents evidence satisfactory to management of the time spent receiving medical treatment.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stan Marshall

October 14, 1996

(154) New Technology

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During 1996 Negotiations the parties discussed New Technology and its impact on Bargaining Unit work. During discussions regarding creation of the New Committee to deal with New Technology, the parties agreed that there was a need for a specific subcommittee to address the unique technology issues facing the Salaried Bargaining Units.

This subcommittee, composed of a designated Union Relations Representative and designated International Union, UAW Representative would meet periodically. Upon request of either party, Management Representatives from the appropriate functions such as Advanced Manufacturing, Vehicle Engineering, Management Information Systems, Finance and Product Design will be invited to participate as required. These meetings will enable the parties to become more knowledgeable of new and/or emerging technologies which may have future applications.

If the parties determine it would be appropriate, Local Union Officials may be invited to participate.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

(155) Personal Information Security

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 National Negotiations the Corporation reaffirmed its commitment to protect the personal privacy of employees by restricting the availability of their social security numbers to unauthorized persons.

Accordingly, the Corporation successfully implemented a DCid program that provides all employees with personal ID numbers to be used in lieu of social security numbers. The Corporation will continue to maintain the DCid system and ensure that employee social security numbers are used only when required.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 14, 1996

(156) Working on a Holiday / Vacation Conversion Option

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed that employees who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their accrued vacation eligibility, in lieu of receiving holiday pay.



To provide sufficient time for administration, the employees must submit their requests in writing no later than the Friday of the week in which the holiday occurs.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

(157) Retiree Tuition Assistance Plan

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations the UAW-DaimlerChrysler National Training Center agrees to continue the Retiree Tuition Assistance Plan for retired UAW-represented DaimlerChrysler employees.

Retirees will be eligible to take classes approved on-site at the plant or local Union hall at the location from which they retired. The courses offered to retirees must be those that are available to the active workforce.

#### **Type of Assistance**

The Plan will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. Maximum eligibility is up to \$1,500 per calendar year per retiree.

#### **School**

Acceptable schools are those approved by the UAW-DaimlerChrysler National Training Center including, but not limited to, those generally recognized by accrediting agencies or under governmental education agencies.

#### **Funding**

The plan shall be funded by the UAW-DaimlerChrysler National Training Center.

**Administration**

The plan will be jointly administered by the UAW-DaimlerChrysler National Training Center.

The National Training Center has the authority and discretion to interpret the terms of the plan, including but not limited to, the authority and discretion to approve schools and courses under the plan and to issue guidelines interpreting the plan.

Payments under the UAW-DaimlerChrysler Retiree Tuition Assistance Plan will be subject to applicable federal, state, and local income tax provisions.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

October 14, 1996

(158) Retiree Use of Plant Employee Fitness Centers

Attention: Mr. Jack Laskowski

Dear Sirs:

This will confirm the understanding reached during the present negotiations regarding retired UAW-represented Chrysler employee use of in-plant Employee Fitness Centers. Retirees will be eligible to utilize the in-plant fitness center at the location from which they retired on a space available basis, at non-peak usage periods, when the local fitness center is in operation. The schedule of usage will be determined by the local joint parties based on factors such as location of the fitness center, present hours of operation, present plant membership usage, and other locally determined criteria. No incremental staffing, equipment, or extension of operating hours will be approved for retiree use of local fitness centers.

Retirees will be required to complete the proper registration process (membership registration, physician consent form, liability waiver, fitness assessment, etc.) that regular employees are required to complete in line with the UAW-Chrysler Fitness Center Guidelines.

It is further understood that nothing contained herein or in existing or future statements concerning Employee Fitness Centers or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Company's or the Union's rights or responsibilities under the Collective Bargaining Agreement, nor are the Centers intended in any way to create for any employee or retiree any enforceable obligation against the Company, the Union, or their representatives.

In addition, it is the parties' intent that any programs, approaches or related services provided in or through employee fitness centers are not to be construed as benefits or insurance programs.

Sincerely,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

(159) UAW-Chrysler Collective Bargaining  
Agreement Training Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties discussed training of representatives responsible for administration of the Collective Bargaining Agreement (Agreement), and related understandings. Both parties recognize the benefits that can be achieved when Company and Union representatives are

knowledgeable concerning agreements which affect their roles and responsibilities.

Following ratification of the 1996 Agreement, the UAW-Chrysler National Training Center will coordinate, with the Company's Union Relations Staff and appropriate representatives of the UAW-Chrysler Department, the development of a training program which will address the Agreement and related understandings. A training session will be piloted as soon as practical following program development. Candidates for participation in the training could include Plant/Division/Operations managers and supervisors whose responsibilities include Agreement administration, elected and appointed Union representatives, and Human Resources personnel. Participants in the training program will be designated by Chrysler's Union Relations Staff and the UAW-Chrysler Department.

Funding for this training program, including development costs, travel, and lodging of participants, shall come from the existing National Training funds. The Grievance Procedure, as set forth in the Agreement has no application to, or jurisdiction over, any matter relating to this training program.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

(160) UAW - DaimlerChrysler Scholarship Program  
for Dependent Children

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

DaimlerChrysler Corporation and the UAW recognize the importance of continuing education for college - aged dependent children of UAW - represented workers. In this regard, the

Union and the Company agreed to continue the UAW - DaimlerChrysler Scholarship Program for Dependent Children.

The joint committee established by the Joint Activities Board will continue to direct the delivery of a program based on the following:

- **Eligibility:** Dependent children of active, retired, or deceased UAW - represented DaimlerChrysler employees who are pursuing post - secondary education or training at an institution accredited by a governmental or nationally recognized agency are eligible to apply for tuition assistance. For purposes of this program, the definition of dependent will be as defined in the UAW-DaimlerChrysler Legal Services Plan.

- **Scholarship Amount:** The program will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. The scholarship is limited to an annual benefit level of up to \$1,500 per eligible dependent.

- **Funding:** Funding for this program, including administrative costs, will be provided through the UAW-DaimlerChrysler National Training Center as determined by the Joint Activities Board.

- **Administration:** The Plan will be jointly administered by the UAW-DaimlerChrysler National Training Center (NTC).

The National Training Center has the authority and discretion to interpret the terms of the Scholarship Program, including but not limited to, the authority and discretion to approve schools and courses, and to issue guidelines.

Payments under the UAW-DaimlerChrysler Scholarship Program for Dependent Children will be subject to applicable federal, state, and local income tax provisions.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

(161) BEST

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, we discussed at length our collective successes in the arena of health and safety. Moreover, we share the belief that furthering our progress will aid in our recognition as a world class Corporation - one which places a high value upon the health and safety of its workers and their families. Realizing that our past and present improvements have provided an enhanced work environment, we, nevertheless, recognized that many opportunities exist for even further improvements.

In that regard, we conceived an approach to enhance our efforts towards achieving those mutual objectives. A new program entitled BEST (Bringing Excellence to Safety Teams) will be launched with the start of the new millennium. The core foundation of BEST will be that only through total enterprise ownership and mobilization can optimal health and safety results be achieved. In order to establish that foundation, the parties recognize that a significant commitment towards training and resources will be required, along with personal commitments by all participants, from senior leadership all the way to the shop floor.

While insufficient time existed during our negotiations to address the program specifics, we concurred that BEST shall contain the following general elements:

1. A cascade training format will be utilized, whereby training shall be waterfalled, on a joint basis, throughout organizations where top leadership will be trained and then they will train subsequent levels.
2. A minimum of four (4) hours of leadership training, addressing roles and responsibilities, among other issues, will be given to the Co-Chairs of the Local Employee Participation Council (LEPC) at our Annual UAW-DaimlerChrysler Meetings.
3. Specific training addressed to members of the Local Joint Health and Safety Committee shall take place at the Annual Health & Safety Meetings. This training shall include 3 flow

(material, process, information) training; root cause analysis; Plan, Do, Check, Act (PDCA) training; and other relevant tools.

4. A general awareness and responsibilities training program for all employees will be developed.

5. Wherever possible, the tools of the Operating Principles will be utilized and leveraged to ensure alignment, standardization and continuity. The program will be modeled after the joint quality process, which emphasizes continuous improvement through process control, effective design of equipment and processes, and effective training and work methods.

6. Risk assessment and hazard control will be conducted for high hazard jobs. This includes identification of tasks, identification of hazards associated with each task, risk assessment and selection of method(s) to control. Selection of controls will be based on the hierarchy, which gives preference to engineering solutions over procedures and personal protective equipment. High hazard jobs to be targeted will be determined by the NJC.

The responsibility for the development of BEST shall be with the National Joint Committee on Health and Safety in conjunction with the National Employee Participation Council. Funding for BEST programs shall be from National Training Center allotments.

We are confident that BEST can become a benchmark for other companies and unions. Moreover, we are excited about its possibilities for allowing us to make even greater improvements in our workplace environments, thereby enhancing overall Corporate performance and employee morale/well-being.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(162) Joint Leadership Involvement in Health & Safety

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Each DaimlerChrysler location has established a Local Employee Participation Council to coordinate leadership involvement in all Joint Activity Programs including the area of Health and Safety. This committee was developed for the purpose of reinforcing direct involvement, by upper management and elected union official leadership, in joint activity programs including, the attainment of the plant's general health and safety goals and in the resolution of ongoing plant health and safety issues.

During these negotiations, the parties mutually agreed that the Local Employee Participation Council shall provide active support for Health and Safety related matters.

Very truly yours,  
DaimlerChrysler Corporation  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(163) Metal Working Fluids

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties discussed at length the exposure levels of metal working fluids within the Corporation's facilities. The parties recognize that the



Corporation has made great strides in the past few years in improving our plants' environments. Our new facilities have been engineered with significant attention to employee health and safety, resulting in metal working fluid levels well below 1.0 mg/m<sup>3</sup>. Moreover, as new equipment has been placed in existing facilities, similar results have been achieved. Likewise, in existing facilities, a variety of means and efforts associated with current systems have resulted in impressive improvements over pre-existing conditions. These efforts, along with other recent announcements (such as Mack II and the Kenosha expansion), and new tooling (installed and projected) at existing facilities have dramatically reduced our overall Corporate mist levels. In fact, in those locations with new installations, we believe the overall environmental average for the area or plant is at or below 0.5 mg/m<sup>3</sup>.

The Corporation advised the Union of our intent to continue similar efforts throughout the life of the current Agreement. To that end, we will endeavor to engineer and design new equipment to attain a level of 0.5 mg/m<sup>3</sup> time weighted average (TWA) for initial production start-up. Furthermore, efforts will be made to attain this level after start-up. Moreover, the Corporation agreed that, for its existing equipment, it will strive to obtain a DaimlerChrysler exposure guideline of 1.0 mg/m<sup>3</sup> or less on or before the year 2004.

Medical surveillance (consisting of a standardized respiratory symptoms questionnaire) for respiratory effects of machining fluids will be offered to employees who regularly work in operations with machining fluids.

Records of laboratory testing and coolant additions will be maintained and, upon request, made available to the Local Joint Health and Safety Committee.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 27, 1999

(164) Classification 588 Stockkeeper - Engineering

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations the Union expressed concern about the requirement of classification 588 Stockkeeper - Engineering employees to "direct and instruct Stockmen in Classification No. 586".

The parties agreed that the Corporation will waive this requirement in instances of one person stockrooms provided the employee is otherwise performing the duties described in the classification 588 Stockkeeper - Engineering position description.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

October 14, 1996

(165) Additional Job and Income  
Security Financial Liability

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During these negotiations, the Company agreed to increase by \$200M the total financial liability that is provided for under the Employment Security System, the Salaried Workers' Employment Security System, and the Supplemental Unemployment Benefit Plan. This additional financial liability,

upon joint Company and Union determination, can be used for expenditures under the ESS, SWESS and SUB plans.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

(166) Jury Duty - Third-Shift Employees

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

This will confirm our understanding with respect to Section (66) Jury Duty of the Office, Clerical and Engineering Agreement. A third-shift employee will be excused from work on either the shift immediately preceding the jury duty, or the shift immediately following the completion of the jury duty, at the option of the employee. Such employee must notify their immediate supervisor of their election prior to being absent from work.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

International Union, UAW  
By Jack Laskowski

October 14, 1996

(167) Plant Payroll/Accounting Clerk/  
Specialist Skills Training Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During the 1996 Negotiations, the Corporation and Union discussed the evolution of the Timekeeping, Payroll and Accounting functions at our Plant locations resulting from the effects of technology, standardization and process redesign. The parties have expressed a mutual interest in improving the skills and flexibility of the current Timekeepers (082), Payroll Clerks/Specialists (058) and Accounting Liaison Clerks/Specialists (050) through the creation of a new Plant Payroll/Accounting Clerk position at the Grade 8 level (phase-up to Specialist, Grade 9).

The Plant Payroll/Accounting Clerk/Specialist classification will incorporate all of the duties currently assigned to the present classifications of Timekeeper (082), Payroll Clerk/Specialist (058) and Accounting Liaison Clerk/Specialist (050).

The reclassification of current employees to the Plant Payroll/Accounting Clerk/Specialist classification will occur as current employees complete the training necessary to perform the functions of the combined classifications. This training and reclassification will occur as follows:

**Timekeeper (082)**

Employees currently classified as Timekeeper will receive a minimum of forty (40) hours of on-the-job training in all payroll functions and must be totally cross-functional. When this training is completed and cross-functionality is demonstrated, Timekeepers will be eligible to begin the training for the Plant Payroll/Accounting Clerk/Specialist classification. This training will be for not less than four (4) weeks and the Timekeeper must demonstrate the ability to perform all the functions of the Plant Payroll/Accounting Clerk/Specialist classification. When the above has been successfully completed, the employee will be promoted to the Plant Payroll/Accounting Clerk classification.

**Payroll Clerk/Specialist (058)**

**Accounting Liaison Clerk/Specialist (050)**

Employees on Payroll Clerk/Specialist and Accounting Clerk/Specialist classifications will be cross-trained for not less than four (4) weeks and when an employee demonstrates the ability to perform all functions of the new position the employee will be reclassified to the Plant Payroll/Accounting Clerk/Specialist.

**Plant Payroll/Accounting Clerk/Specialist**

Personnel assigned to the Plant Payroll/Accounting Clerk/Specialist classification must demonstrate the ability to perform all of the combined functions and will be subject to job rotation on a regular basis. The Plant Payroll/Accounting Clerk is the base classification with a 10 year phase-up to Plant Payroll/Accounting Specialist. Phase-up requirements conform to those for other Accounting Classifications listed in M-8 (Salary Classification and Grade Supplement), Section 15 of the Agreement and include time on the Plant Payroll/Accounting Clerk base classification.

The training programs described above will begin at each location within one hundred-twenty (120) days after the effective date of the Agreement.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

October 14, 1996

(168) Payment of Shift Premium  
During In-Plant Training

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations lengthy discussions were held regarding in-plant training of Clerical-Engineering-Technical employees. Both parties continue to support training initiatives and maximum participation by Clerical-Engineering-Technical

employees in efforts which will enhance skill levels and fully utilize the talents and abilities of these employees to meet the competitive challenges that lie ahead.

The Union expressed concern that maximum participation is being hindered because of a pay practice which results in the loss of shift premium to Clerical-Engineering-Technical employees who receive and attend training on a shift other than the shift on which they would otherwise normally work. The Union further maintains such loss of shift premium has adversely impacted morale and plant efficiency, resulted in certain employees not attending such training and therefore, missed the opportunity to upgrade their skills.

In an effort to seek maximum participation in available in-plant training, the parties have agreed that notwithstanding the provisions of Section (68) of the Engineering Office & Clerical Agreement, a salaried employee who is required to attend in-plant training necessary to upgrade his/her skills in his/her classification on a shift other than he/she would otherwise normally work, will be paid the shift premium normally paid for his/her regularly assigned shift during the period he/she is attending such training.

Very truly yours,  
CHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Jack Laskowski

September 29, 2003

(169) Up-Front Lump Sum Payment and  
Performance Bonus

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the present negotiations, the parties agreed to provide an up-front lump sum payment of \$3,000 to each member of the Union (excluding such members who are

temporary part-time employees of the Corporation) on the active roll on the effective date of the Agreement. As has been our practice with prior up-front lump sum payments, the payment is conditioned solely on the membership's ratification of the Agreement and is paid to such eligible members whether or not the eligible member votes for ratification or performs any services for DaimlerChrysler Corporation. Such payment shall be made in the second pay period following receipt by the Corporation of written notification of ratification of this Agreement.

Performance Bonus payments equal to three percent (3%) of Qualified Earnings will be made to each eligible employee in accordance with the following table:

Eligibility Date	Eligibility Year	Payable During the Week Ending
September 20, 2004	September 22, 2003 through September 19, 2004	October 17, 2004

An employee shall become eligible for the Performance Bonus payments provided herein, if the employee has seniority as of each designated eligibility date set forth above.

An employee's Performance Bonus will be based on the Qualified Earnings during the twenty-six (26) bi-weekly pay periods immediately preceding the pay period in which the designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from the Corporation during the Performance Bonus Eligibility Year resulting from the following:

Salary\*  
Cost-of-Living Allowance\*  
Shift Premium\*  
Holiday Pay  
Bereavement Pay  
Jury Duty Pay  
Short-term Military Duty Pay  
Vacation Pay  
Lump Sum Merit Awards  
Back Pay awards related to the designated eligibility year.

\* Including overtime, Saturday, Sunday and Holiday premium payments.

An employee who retires during the Performance Bonus Eligibility Year beginning September 22, 2003, and who, but for

such retirement, would have had seniority as of the designated respective eligibility date, shall qualify for the Performance Bonus as defined in this Section.

In the case of an employee who dies during the Performance Bonus Eligibility Year beginning September 22, 2003, a Performance Bonus shall become payable as if the employee were a seniority employee on the designated eligibility date, calculated based on the employee's Qualified Earnings during the Eligibility Year as defined above. Such Performance Bonus shall be paid to the employee's duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Corporation, in its discretion, may determine.

In addition, should the National Chrysler Department raise any questions of equity in application regarding specific employees, the Company agrees to meet on such cases to review the facts.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

(170) Local Technical Training Committee

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, there was extensive discussion regarding the roles and responsibilities of the Local Technical Training Committees (LTTTC) and the need for salaried representation to address salaried specific training requirements. The parties agreed to continue the presently established LTTTC's and to create such committees at Chelsea Proving Grounds, DaimlerChrysler Technology Center and Plymouth Road Office



Complex. These committees will be responsible to plan and coordinate local technical training for salaried represented employees, by jointly reviewing current and approved planned equipment timing, identifying training needs, developing training plans, and coordinating training activities between the plant and the UAW-DaimlerChrysler Technology Training Center.

The parties also discussed the fact that the Local Employee Participation Councils (LEPCs) have been established at each facility in accordance with Letters 124 and 30 of the respective National Agreements to locally administer all joint programs and that the intent of these letters was to have the Local Employee Participation Council determine the resources required to ensure the appropriate administration and coordination of joint programs. The parties recognize the fact that steps have been taken to place appropriate salaried representation on the LEPC's, in order to provide the expertise and perspective necessary to meet the needs of represented salaried employees, including salaried skilled trades employees.

The committees will be comprised of no more than three (3) Union and three (3) Management members. Committee members, preferably with training responsibilities or expertise, will be selected by the Co-Chairpersons of the Local Employee Participation Council (LEPC).

Additional internal resource personnel may attend LTTC Committee meetings, as appropriate. It is understood that non-UAW and non-DaimlerChrysler persons will not serve in a decision-making capacity on these committees, but may provide professional assistance to the committee, as needed.

The LTTC will be a subcommittee of the Local Employee Participation Council and will meet monthly or as required by the LEPC Co-Chairs.

The National Training Center will develop Local Technical Training Committee guidelines and procedures, recommend training for members of the LTTC, and monitor the progress of these committees on a regular basis.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW

By Stephen P. Yokich

September 27, 1999

(171) NEPC Joint Study Group Agenda

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Letter 124 appended to the Production, Maintenance and Parts Agreement and Letter 30 appended to the Office, Clerical and Engineering Agreement, provide for a joint study group appointed by the chairpersons of the National Employee Participation Council (NEPC), empowered to use whatever resources it believes necessary to develop the UAW-DaimlerChrysler Employee Participation Process. The joint study group is to meet regularly and report its findings and make recommendations to the NEPC, which may then agree on a plan of action on how new employee participation processes contemplated by the two letters will be implemented.

Among those issues, programs and processes the joint study group will examine during the term of the 1999 Agreements, beginning within thirty (30) days following ratification, with the requirement to make recommendations to the NEPC as soon as practicable thereafter, are the following: [i] the manner in which the several Modern Operating Agreements can be made more meaningful and productive; [ii] how, using third party facilitators if needed, the team coordinator concept at Modern Operating Agreement (MOA) locations can be energized, improved and made more meaningful and, then, launched at non-MOA locations, considering the peculiar and unique attributes and direction of each location, using joint design teams, hopefully obtaining maximum local participation, ownership, accountability and commitment; [iii] how the contractual language providing for the many joint programs, should be updated to reflect the thrust and intent of Letters 124 and 30; and [iv] what redeployment guidelines and processes should be established and followed relative to those instances when employees are impacted by jointly initiated product quality and operational effectiveness improvements, such redeployment

guidelines placing emphasis on the redeployment of affected employees to meaningful, regular and/or "non-traditional" work including, but not limited to, LEPC-directed training and/or facilitating assignments, as well as efforts to competitively retain or insource work.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

(172) Employee New Vehicle Purchase  
Program Ordered Vehicles/U.S. Build

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the Union expressed concern regarding the subject of ensuring vehicles ordered through the Employee New Vehicle Purchase Program for employees are built at the appropriate U.S. plant. The Union cited concerns regarding UAW - Chrysler employees inability to order U.S. made product lines that are simultaneously produced in Mexico. The Company is sensitive to the desires expressed by the Union in this regard, and agrees to the following provision in an effort to accommodate our employees wishes.

The Company agrees to maintain a system with our scheduling and distribution network that will enable new vehicle orders purchased through the Employee New Vehicle Purchase Program to be programmed to the appropriate U.S. plant if buildable. The Program will be limited to those product lines produced in St. Louis and Warren Truck that are also produced in Mexico. It is understood and agreed that during the course of this Program, periodically the Corporation may be required to move orders due to extenuating circumstances such as, but not limited to, component shortages and production scheduling needs.

In extending this provision of the Employee New Vehicle Purchase Program, it is understood and agreed that the Corporation may at any time modify, change or discontinue this Program and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of this Program shall not constitute a precedent for future negotiations on this subject.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 27, 1999

O & C & E  
(173) UAW Flag

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the Union requested that all DaimlerChrysler facilities, where employees are represented by the UAW, fly the UAW flag. As discussed, flying of flags at DaimlerChrysler locations is a matter of Corporation policy administered by the Corporate Identity Office.

In view of the historical ties between the UAW and the DaimlerChrysler Corporation, the Corporation indicated a willingness to change its policy on flags to meet the Union's request.

It is agreed that all DaimlerChrysler facilities, where employees are represented by the UAW, will make the necessary arrangements to fly the UAW flag. UAW flags will be provided to the Plant/Distribution Center Manager at each DaimlerChrysler facility by the Local Union President or Unit Chair Person.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Stephen P. Yokich

September 29, 2003

(174) Health & Safety - UAW Safety Representative Participation  
in the Design of  
Safety Systems for Energy Control

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation and Union have made significant progress over the years in implementing and enhancing a procedure that mandates the early involvement of the Plant Local Joint Committee in the key development phases of new equipment programs. This effort has led to the inclusion of a milestone meeting procedure in the Advance Manufacturing Engineering Specifications to provide that the Plant Local Joint Committees are included, at appropriate steps, in the project build cycle. In addition, the Corporation advises that the Engineering Specifications require that the Original Equipment Manufacturer (OEM) design processes with control reliable architecture, and lockout/energy control systems that facilitate safe worker access and simplicity of operation. Annually, any modifications to the AME specifications (Do's and Don'ts Section 16) will be reviewed with the Union at an NJC meeting.

Very truly yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

(175) SPEEDLINK to Injury Reduction

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed new and innovative ways to move our joint process forward to higher and better levels, enhancing our position as a Center of Excellence for health and safety which others will seek to benchmark. Toward this end, we will begin the SPEEDLINK process moving the Corporation to the next paradigm. SPEEDLINK is capturing potential injury-producing hazards and jobs information on the plant floor swiftly and efficiently. We have taken dramatic steps toward injury reduction to date, but the next level will be even more challenging as we direct our attention closer to zero injuries.

To complement our health and safety initiatives, an electronic database for Ergo Pal providing data retention reporting capabilities will be created. All of this data is to be readily input and accessed through PDAs, which will allow the ergonomic analysts and ergonomic safety remediation specialists to use the systems on the plant floor, at the work station level, gathering data on the spot.

The Company agrees to finance and develop the database application software, and reside it within our Corporate systems. Development of the system will begin after the ratification of the agreement and a deliverable will be targeted for the end of the 4th quarter of 2003. The parties agreed that SPEEDLINK will be jointly developed and implemented.

PDA devices shall be made available to the Union and management representatives in all major manufacturing facilities, National Depots, and eight (8) for Regional PDCs which will be rotated on a divisional basis. The cost of the PDA's will be borne by the NTC, except that if an individual loses the device, he/she shall be responsible for the cost of replacement.

The parties recognize that the data and information contained within such databases is confidential and proprietary. No information on data is to be released outside the Corporation

without express written approval by the Corporation.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

September 29, 2003

(176) Conversion of Cost-of-Living Calculation to New  
Reference Index

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed the relationship between the employer-paid health care benefits received by UAW-DaimlerChrysler workers and the overall cost-of-living. As a result of these discussions, the parties agreed to base future cost-of-living adjustments on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W, Current Series) for all items less medical care, U.S. city average, not seasonally adjusted, 1982-84=100, as published by the U.S. Bureau of Labor Statistics. This will become the new reference index.

This letter is to confirm that the changes to Section (92) of the Collective Bargaining Agreement and to the Letter of Understanding on COLA Calculation and Notification required for the conversion to the new reference index are intended to maintain the same mathematical wage replacement ratio as existed for the May-July 2003 quarter.

In this regard it is our intention to construct cost-of-living adjustment tables in the following manner:

Tables shall be based on a new formula value that bears the same relationship to the May-June-July 2003 average for the

new reference index that the previous formula value of 0.25 bears to the May-June-July average for all items CPI-W on the 1967 base. This yields a new formula of a forty cent (\$.40) adjustment for each 0.08159 change in the new reference index.

New adjustment brackets will be taken to two decimal places, and will follow a repeating cycle of 0.08, 0.08, 0.08, 0.08, 0.08, 0.09, 0.08, 0.08, 0.08, 0.08, 0.09, etc.

Very Truly Yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden

September 29, 2003

(177) KTP Pilot

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

A recent study for the UAW-DaimlerChrysler Scientific Advisory Committee (SAC) by the University of Illinois trialed a unique and highly successful application of microfiltration to metalworking fluids (MWF). This Phase I study demonstrated that microfiltration can be used successfully on MWF. Phase II of the study is to test the process in a "real world" application. Accordingly, it is proposed that, if sufficient SAC funding is available, a pilot study of microfiltration be performed in a small MWF system at Kokomo Transmission Plant. An appropriate test system will be selected by the KTP LEPC, the NJC, SAC, and the University of Illinois.

Very Truly Yours,  
DAIMLERCHRYSLER CORPORATION  
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW  
By Nate Gooden



September 29, 2003

(176) Early Warning Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The parties acknowledge that through significant efforts during the term of the last Agreement, tremendous gains have been made in reducing ergonomic recordable injuries. We also recognize that, while our priorities need to be focused on remediation of jobs creating injuries and lost work time, there may also be value on a prospective basis to look at jobs in the future that are producing employee complaints which have not yet risen to the level of recordable injuries. In that context, we explored the feasibility of the Company's Occupational Health Manager (OHM) to be used as a tool. It was explained that an injury/illness database to capture such signs and symptoms exists within OHM which has the capability of matching job station data to key medical data.

In the assembly facilities, job stations are automatically fed into OHM via the Advanced Manufacturing Engineering's AMPs software program. However, the AMPs feed is not currently present in every manufacturing location, and therefore Early Warning will be used in the assembly plants only.

Access to this data for the Ergo Analysts will be made available via key screens in OHM after each Analyst signs a medical confidentiality agreement. This information must be used for the sole purpose of injury identification and not be shared with other parties. The ultimate purpose for obtaining such data is to identify potential high-risk jobs that may ultimately create injuries to our employees.

Very Truly Yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

September 29, 2003

(179) NPG Mist Suppressant Pilot

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Mist suppressants have been shown to be effective in reducing metalworking fluid (MWF) mist levels. A study for the NTC Scientific Advisory Committee by Wayne State University demonstrated that mist suppressants can be worked with in a DCC machining environment. Since that study, new mist suppressant chemistries have been developed which might be worked with more easily and may be more cost effective. Accordingly, it is proposed that, if sufficient funding is available, a pilot of the new mist suppressant type be done at New Process Gear. Selection of the MWF system will be done by the plant LEPC and the NJC.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This is to confirm our understanding regarding contributions to the UAW V-CAP program.

The Corporation will establish, as soon as practicable following the conclusion of these negotiations, a system allowing voluntary V-CAP contributions to be deducted from the monthly pension payable to any retired employee or surviving spouse who provides the International Union with a signed authorization form.

This will be accomplished by the Corporation's processing of a monthly file from the International Union containing the detail necessary for processing said deduction. The Corporation will forward the amount deducted and a corresponding data file to the International Union in the same manner as for active workers.

The trustee of the Pension Plan shall be authorized by the Board of Administration of the Pension Plan during the life of the collective bargaining agreement applicable to employees covered by this Pension Plan, to deduct such UAW V-CAP contributions and forward them to the treasurer of V-CAP.

The Company further agrees to develop and provide the UAW Accounting Department, an agreed upon file (template) containing necessary information concerning V-CAP contributions from active members on a monthly basis. Once the data is confirmed, the exact amount of money contributed would then be transmitted to V-CAP, care of the International Union, in a timely manner.

The Company and the Union have also discussed the administrative cost associated with maintaining the voluntary deduction program described above for both the active employees and retired former employees, and have estimated the cost of such administration. The Company and the Union agree that, as an element of the full package of wages and benefits described in the 2003 National Agreement, the Company shall not seek reimbursement from the Union for any

of the costs associated with administering the voluntary deduction program for both active employees and retired former employees.

Very Truly Yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden



# 2005

## January

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## February

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

## March

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## April

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## May

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## June

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## July

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## August

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## September

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## October

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## November

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## December

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

# 2006

## January

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## February

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

## March

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## April

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## May

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## June

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## July

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## August

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## September

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## October

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## November

M	T	W	Th	F	Sa	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## December

M	T	W	Th	F	Sa	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

# 2007

## January

S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## February

S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

## March

S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## April

S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## May

S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## June

S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## July

S	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## August

S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## September

S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## October

S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## November

S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## December

S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					